

AUSTRALIAN WATER

ASSOCIATION

AUSTRALIAN WATER ASSOCIATION LIMITED ANNUAL REPORT 2023-24



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The directors of Australian Water Association Limited (“the company”) submit herewith the annual report of the company for the financial year ended 30 June 2024.

Information about the Directors

The names of the directors of the company during the reporting period are:

Peter Dennis	Dr Sandra Ridge (Hall)	Daniel Sullivan
Louise Dudley	Clare Porter	Eric Vanweydeveld
Chris Bulloch	Shelley Shepherd (Harbers)	Kevin Werksman

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.



Louise Dudley

Immediate Past President

(until May 2024)

Qualifications

BCom CA, GAICD, PMAWA, CompIEAustEngExec

Position

Director, WaterAid Australia

Director, Waterstart (Australia and Nevada)

Trustee, LMD Holdings

Policy Committee Member and Audit Committee, Chief Executive Women

Strategic Water Advisor, Aurecon

Consultant, KLIR

Special Responsibilities

Governance & Audit Committee

Succession Planning, People and Culture Committee



Peter Dennis

President

(President May 2023 - present)

Qualifications

BE (Hons) Chemical Engineering, MES, GradDipMgmt, Corporate Directors Diploma

Position

General Manager Water, Beca HunterH2O

Director, Icon Water

Limited Director, Icon Retail Investments Limited

Director, Icon Distribution Investments Limited

Director, Local Government Procurement NSW

Adjunct Professor, University of Newcastle

Special Responsibilities

Succession Planning, People and Culture Committee (Chair)

Governance & Audit Committee



Kevin Werksman

Director

(President Elect since May 2024)

Qualifications

BE Chemical Engineering, BComm, GradCertEnvMgmt. Harvard Leadership Program

Position

CEO, Suez Australia and New Zealand

Special Responsibilities

Governance & Audit Committee (Chair)

Member Experience Committee



Dr Sandra Ridge (Hall)

Director

Qualifications

BAppSc Biotechnology, PhD

Position

CEO, Water Stewardship Australia

Adjunct Professor, University of Queensland

Advisory Board, International Water Centre, at Griffith University

General Manager, Australian Centre for Water and Environmental Biotechnology (ACWEB), University of Queensland

Special Responsibilities

Member Experience Committee (Chair)

Succession Planning, People and Culture Committee



Clare Porter

Director

Qualifications

BSc, GradCert Sustainability, MBA

Position

Head of Strategic Communication and Corporate Social Responsibility, Sydney Water

Special Responsibilities

Member Experience Committee

Succession Planning, People and Culture Committee



Shelley Shepherd (Harbers)

Director

Qualifications

BSc Zoology, MBA, GAICD

Position

Managing Director, Urbaqua Ltd

Secretary, Stormwater WA

Program Manager, New WAter Ways Inc

Special Responsibilities

Member Experience Committee

Succession Planning, People and Culture Committee

International, Regional & Remote Programs Committee



Chris Bulloch

Director

Qualifications

MEng (Civil), MEng (Env), MEng (EngMgt)

Position

Executive Leader Integrated Solutions, Urban Utilities

Board Member, Water for Lockyer

Special Responsibilities

Governance and Audit Committee

International, Regional & Remote Programs Committee



Daniel Sullivan

Director

Qualifications

BCom, MBA, GAICD

Position

CEO, Iota Services

Member, International Development Advisory Board to Monash University for the RISE program

GM, research, innovation & commercialization, SE Water

Senior Fellow, Faculty of Engineering and IT, University of Melbourne

Special Responsibilities

International, Regional & Remote Programs Committee (Chair)

Governance and Audit Committee



Eric Vanweydeveld

Director

Qualifications

BEng, MEng

Diploma of Project Management

Certificate IV in Responding to Project Complexity

Position

Director and Principal Consultant, Aquanex

Consultant, World Bank

Special Responsibilities

Member Experience Committee

International, Regional & Remote Programs Committee



President's Message

It is my privilege to reflect on what has been a truly remarkable year for our organisation. The accomplishments of FY24 are a testament to the strength of our strategic vision, as outlined in Strategy'25, and the dedication of our members, partners, and staff in delivering meaningful outcomes for the water sector. Our alignment with this strategy has allowed us to achieve significant progress, particularly in the areas of financial sustainability, member engagement, and industry collaboration.

We have continued successive years of strong financial performance, bolstering reserves to \$8.2M, which has enabled further investment in strategic projects that will drive innovation and sustainability in the water sector and invest in the capability of our association to best support members into the future.

One of the primary contributors to our financial success was Ozwater'24. This event continues to be a cornerstone for the sector, providing a vital platform for knowledge sharing, networking, and collaboration on the most pressing water challenges.

Our efforts have had global impact, with our International Program providing support to the water sectors in Indonesia, Vietnam, Cambodia, Tonga, and Solomon Islands, complemented by AWA member trade delegations to conferences in Vietnam and Singapore. These efforts have set a solid foundation for the future and provide reciprocal benefit in knowledge and information sharing, while we continue to focus on the most critical challenges facing the industry today, including climate change, skills shortages, water security and sustainable growth.

Our financial strategy, which underpins Strategy'25, has been instrumental in guiding our efforts to ensure long-term sustainability. It focuses on three core pillars: enhancing member-centric services, investing in digital transformation, and building a financially sustainable organisation. The growth we have seen in member participation across professional development programs and international partnerships reflects the alignment between our strategic focus and the strength of our financial management.

A key aspect of our strategy is the ongoing investment in People and Culture, as well as in Data and Digital capabilities. By improving our digital infrastructure, we continue to provide more personalised and engaging experiences for our members. This digital transformation is essential to our long-term sustainability, as it enables us to respond more effectively to the evolving and differing needs of our members and deliver services more efficiently. The investments made in these areas during FY24 will be critical to our continued growth and success.

Another significant achievement this year has been our progress in promoting diversity and inclusion within the water sector. The launch of our Diversity & Inclusion Statement at Ozwater was a major milestone, and we have continued to expand programs aimed at increasing Indigenous participation and collaboration. These initiatives are essential to fostering a more inclusive and equitable industry, and they align closely with the broader goals of Strategy'25.

As we look ahead to FY25, our focus will remain on delivering the final phase of Strategy'25. This includes a continued emphasis on financial sustainability, digital transformation, and advocating for sustainable, resilient communities in Australia and more broadly in our region. We will also remain committed to supporting our members through initiatives that foster innovation, build resilience, and drive positive change across the water sector.

In May 2024, the Board elected Kevin Werksman to be the next President of the Association. Kevin is the Chief Executive Officer for Suez (ANZ) and during his career he has led the delivery of more than 100 major infrastructure projects. Kevin's extensive experience includes advising on transforming business strategies and optimising operating models for infrastructure investment, divestment, and growth. Kevin takes up the presidency following Ozwater'25.

I extend my sincere thanks to my Board colleagues, our CEO Corinne Cheeseman, the Senior Leadership Team, every AWA team member, members of the Strategic Advisory Council, our Branch Presidents and Committee members, Young Water Professionals, Specialist Network Chairs and Committees, Water e-Journal Editorial Committee, and the many volunteers for their respective contributions this year. As we have successfully done for over 60 years, you all have continued to support our members to connect, share, and inspire to drive a sustainable water future for our communities.

Peter Dennis

President, Australian Water Association



CEO's Message

The past financial year has been a period of growth and transformation for the Australian Water Association. In FY24, we not only surpassed our financial goals, achieving a surplus of \$685K and strengthening our reserve balance, which now stands at \$8.2M. This excellent financial performance was driven largely by the exceptional success of Ozwater'24, which set new attendance records. These results demonstrate the enduring relevance of our programs and events, and the growing importance of addressing critical water issues across Australia and internationally.

Ozwater'24, held in Melbourne, was a highlight of the year. With over 5,700 participants, including 1,829 delegates, 2,441 trade visitors, and 415 international attendees from 36 countries, the event was a significant success. The theme "Accelerating Action" resonated deeply with the water community, inspiring participants to engage with the pressing need for innovation, collaboration, and sustainability in water management. In addition to traditional conference activities, we introduced several new initiatives this year, including the expansion of the Education Hub, which engaged more than 250 school students, fostering the next generation of water professionals.

In a collaborative effort with WSAA, in early 2024 we launched our Careers in Water initiative, a milestone in our efforts to address the skills shortages within the water sector. This platform highlights the diversity of roles available within the industry through profiles of our members' career journeys and connects job seekers with current opportunities available. As we continue to expand our reach and impact, this initiative will play a critical role in building a strong and capable workforce for the future.

In October 2023, we formally commenced our reconciliation journey as an organisation. It was fitting to commence this important step with our first On-Country Immersion, led generously by Dr Leslie 'Phil' Duncan, Traditional Owner of the Terry Hie Hie lands. Over a few days, it was an exploration of Indigenous Connection to Country, traversing sacred sites such as Myall Creek, Gum Flat Environmental Reserve, Terry Hie Hie Aboriginal Reserve, and the Gwydir Wetlands. This immersive experience had a profound impact on the staff and members who attended.

We officially commenced our Reflect Reconciliation Action Plan (RAP) as part of our National Water Week 2023 launch where our RAP artwork was unveiled by talented artist, Amy Allerton, a proud Gumbaynggirr Bundjalung woman. Amy took inspiration during a yarning circle with AWA's Board and all staff a few months earlier to create our story which she titled 'Water is at the heart of all life' and the beautiful artwork has a proud place in our office and on our website.

Another key event was the inaugural Connected by Water conference in Perth. This new event brought together more than 500 delegates from across Australia, showcasing the strength of AWA's growing engagement and impact. The conference provided a platform for professionals from diverse sectors including resources, energy, and agriculture to foster connections and collaborations for innovative solutions to water challenges.

Our members are at the heart of AWA and the 2024 Member Survey provided valuable insights into our members' experiences and revealed that satisfaction levels have reached an all-time high of 78%, up from 72% in 2022. Younger members played a key role in this improvement, with satisfaction in this demographic increasing by 12%. Additionally, our Net Promoter Score (NPS) has risen to +11.2, up from +6.9 in 2022, indicating a stronger willingness among members to recommend AWA to their peers. These metrics demonstrate that our efforts to enhance networking opportunities, knowledge sharing, and professional development are resonating with our members.

Looking ahead, our focus will remain on delivering the final phase of Strategy'25. Key areas of emphasis include strengthening our digital capabilities, enhancing member services, and working with our members as we collectively face significant challenges such as climate change, sustainability, and rapid population growth. The insights from the 2024 Member Survey have provided us with a clear direction for improvement, particularly in offering more technical content and developing collaborative programs that tackle challenges in the water sector.

I am immensely proud of the progress we have made this year, and I look forward to continuing our work with our team, members, partners, and the broader water community. Together, we will drive innovation, sustainability, and positive change across Australia's water sector, ensuring that we are well-prepared to face the challenges of the future.

Corinne Cheeseman

Chief Executive Officer, Australian Water Association

Our Purpose

Inspire and drive a sustainable water future.

As Australia's biggest water network, the Australian Water Association aims to drive prosperity and sustainability by providing individuals with career enrichment and organisations with business opportunities as we:



**information and
knowledge**



**members with industry
and stakeholders**



**positive
change**

Our members come from across the water sector, including utilities, scientists, government, research and academia, energy and resources, manufacturing and agriculture.

Strategy'25
Focus Areas

Member Experience

By 2025, our members will be more diverse, connected and included, have impact and influence, have developed as professionals and celebrated success together.

Water for Sustainable & Resilient Communities

By 2025, we will be recognised for our thought leadership and programs in Australia, South-East Asia and the Pacific that promote and deliver sustainable water outcomes for all.

Indigenous & Community Collaboration

By 2025, National Water Week will deliver a stronger voice for water to the community and students. We will create a culturally safe space for the sharing of indigenous water management practices and celebrate collaborations that deliver positive change.

Enablers

People & Culture

By 2025, we will have reinforced a culture for people who care about a sustainable water future. Our people are connected, collaborative, innovative, commercial & entrepreneurial. We embrace inclusivity for a sustainable water future.

Data & Digital

By 2025, we will deliver a personalised member experience, valued online library, data-driven decisions and the team will be supported through our digital capabilities.

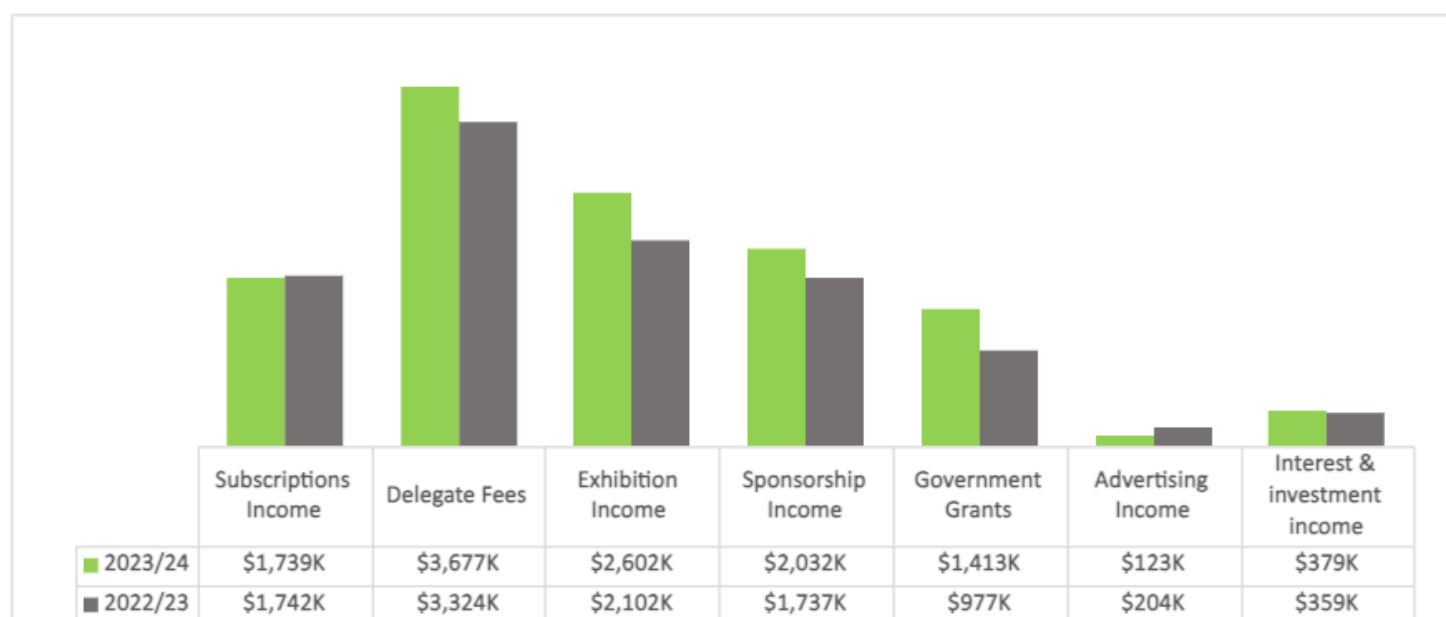
Financial Performance

The Association reported a surplus of \$685K for the full year 2023-24, bringing net assets (reserve balance) to \$8.2M. This result is primarily attributable to the performance of the Ozwater'24, the largest conference to date, which saw record delegate numbers for the third consecutive year. The stability of the financial position supports the investment budget in the final year of Strategy'25, allowing for the development of new capabilities, enhancement of member benefits, and improvement of our IT infrastructure to support growth.

\$'000	2019/20	2020/21	2021/22	2022/23	2023/24
Revenue	\$5,317	\$7,638	\$9,292	\$10,445	\$11,965
Operating Expenses	\$6,332	\$6,006	\$8,192	\$9,461	\$11,280
Operating Surplus	\$(1,015)	\$1,632	\$1,100	\$984	\$685

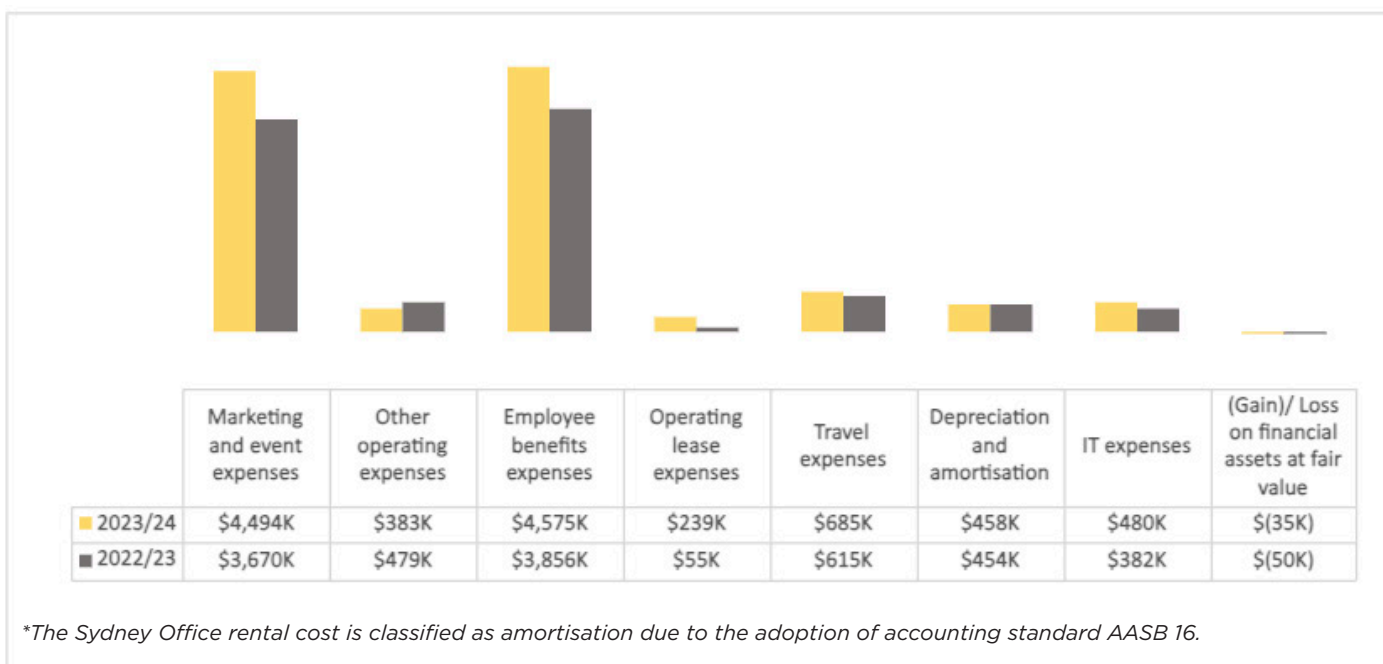
Revenue Summary

Total revenue for the year was \$12M, representing a 15% increase from the previous year. Key revenue sources include membership subscriptions, international programs, and revenue from event delegates, exhibitions, and sponsorships. Events continued to deliver strong financial results, with significant contributions from the Ozwater'24 conference and the new national conference, Connected by Water. Total event revenue increased by 16% from the previous financial year. International program revenue grew by 45%, driven by newly secured Government funding, while membership subscription revenue remained unchanged.



Operating Expense Summary

Total operating expenses for the year were \$11.3M, an increase of 19%. Employee costs rose by 19%, reflecting investment in staff capability and resourcing for new programs. Event-related expenses increased by 22%, in line with higher event revenue. Operating lease expenses reflect the adoption of accounting standard AASB 16, with the increase attributable to the new Sydney office lease.



Key Performance Measures

Our financial performance and financial sustainability are presented through the following industry accepted ratios.

Key performance measures	Type	2023/24	2022/23
¹ Return on assets (Net Profit/Total Assets)	Profitability	5%	7%
² Return on equity (Net profit/ Total Equity)	Profitability	8%	13%
³ Current ratio (Current Assets/ Current Liability)	Liquidity	3.7	2.4

¹ Return on assets is an indicator of how profitable our Association is relative to our total assets.

² Return on equity measures profitability by comparing the profit generated against the capital investments.

³ Current ratio indicates the extent to which current liabilities can be paid off through current assets.

Australian Water Association Limited

ABN: 78 096 035 773

Directors' Report **30 June 2024**

The directors present their report on Australian Water Association Limited for the financial year ended 30 June 2024.

Introduction

The financial statements are general purpose-simplified disclosure financial statements which have been prepared in accordance with the Australian Charities and Not-for-Profit Commissions Act 2012 and Australian Accounting Standards Reduced Disclosure Requirements and comply with other requirements of the law.

This guide has been prepared to assist readers understand and analyse the Financial Report.

What is included in the Financial Report?

The Financial Statements report on how Australian Water Association performed financially during the 2023/2024 financial year and the overall financial position at the end of the financial year (30 June 2024).

The Financial Statements include:

- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements

The Financial Statements are prepared by management, reviewed by the Governance and Audit SubCommittee who make a recommendation to the Australian Water Association Board for approval, and audited by Bentleys Sydney Audit Pty Ltd.

Statement of Profit or Loss and Other Comprehensive Income

The Statement of Profit or Loss and Other Comprehensive Income itemises income earned and expenditure incurred in delivering Australian Water Association's services during the year, to give the total consolidated result for the year.

The operating expenses include depreciation and amortisation, which is a provision for the value of assets 'used up or consumed' during the year. The statement is prepared on an accrual basis and includes both cash and non-cash items. All income and expenses for the year are reflected in the statement, even though some revenue may not yet be received and some expenses may not yet be paid (where the goods and services are received but the suppliers' invoices are not yet paid).

The key figure to assess the financial performance for the year is the profit for the year, which is calculated by deducting the total operating expenses for the year from total operating revenue. It is important to note however, that the profit for the year is not necessarily a 'cash' surplus due to the recognition of non-cash items as explained above.

Australian Water Association is a Not-for-Profit entity and generates an annual profit in order to ensure future financial sustainability.

Australian Water Association Limited

ABN: 78 096 035 773

Directors' Report **30 June 2024**

Statement of Financial Position

The Statement of Financial Position is also known as a Balance Sheet and is a snapshot of our financial position as at 30 June. It outlines what we control as assets (such as cash and property), what we owe as liabilities (such as amounts owed to creditors) and the equity or net worth at the end of the year.

The assets and liabilities are separated into current and non-current sections. 'Current' generally means those assets that will be received, or liabilities that will be paid, within the next 12 months. 'Non-current' refers to those assets and liabilities that are held for a longer term. The net current assets or working capital is an important measure of our ability to meet our debts as and when they fall due.

The equity section of the Statement of Financial Position shows the contributed equity from the registration of Australian Water Association on 27 February 2001, the total of the retained earnings (profits) that have accumulated and the amount by which the assets have been revalued since establishment. The total of the equity section represents our net financial worth.

Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in our net financial worth during the financial year. Net worth can change as a result of a profit or loss as recorded in the Statement of Profit or Loss and Other Comprehensive Income or a change in the net value of non-current assets resulting from a revaluation or an impairment of those assets.

Statement of Cash Flows

The Statement of Cash Flows shows all cash amounts received and all cash payments made during the year that make up the change in our bank balance during the financial year.

The cash flows are separated into three different types of activities:

- Operating activities are those cash receipts and payments arising from delivery of our services. The net cash provided by operating activities is an important result in the statement, as it shows our ability to generate a cash surplus, which can then be used to fund the purchase, construction or renewal of long-term assets, such as property and infrastructure and to repay borrowings. This should be a positive amount.
- Investing activities are those cash receipts and payments arising from the purchase, renewal, upgrade, expansion and sale of non-current assets.
- Financing activities are those relating to the lease liability outflows for the rental lease due to the implementation of AASB 16: Leases.

Notes to the Financial Statements

The notes to the Financial Statements provide greater detail to support the figures used in the four main statements and should be read in conjunction with the statements to obtain a clearer picture of our finances. The notes give the details behind the summary line items contained in the financial statements, showing what makes up each of the accumulated amounts.

The notes also provide information on the accounting policies and assumptions used to prepare the financial statements, advise the reader about any changes to the Australian Accounting Standards, policy, or legislation, which may affect the way the statements are prepared and disclose other information that cannot be incorporated into the statements and provide analysis if there has been a significant change from the previous year's comparative figures.

Australian Water Association Limited

ABN: 78 096 035 773

Directors' Report

30 June 2024

Independent Auditor's Report

The Independent Auditor's Report is the external and independent opinion of Bentleys Sydney Audit Pty Ltd to provide the reader with an independent view about Australian Water Association's compliance with the statutory and professional requirements, as well as, the fairness aspects of the report.

Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Meetings of directors

The following table sets out the number of directors' meetings (including meetings of subcommittees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or subcommittee member).

During the financial year, 24 meetings of directors (including subcommittees of directors) were held. Attendances by each director during the year were as follows:

	Board Meetings		Governance and Audit SubCommittee		Succession Planning, People and Culture SubCommittee		Member Experience SubCommittee		International, Regional & Remote Programs SubCommittee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter Dennis	6	6	6	5	5	5	-	-	3	2
Daniel Sullivan	6	5	6	6	-	-	-	-	3	3
Dr Sandra Ridge (Hall)	6	5	-	-	5	3	4	3	-	-
Louise Dudley	5	3	5	5	-	-	4	4	-	-
Shelley Shepherd	6	5	-	-	5	5	4	3	3	2
Kevin Werksman	6	6	6	5	-	-	4	2	-	-
Chris Bulloch	6	4	6	5	-	-	-	-	3	2
Clare Porter	6	5	-	-	5	5	4	4	-	-
Eric Vanweydeveld	6	5	-	-	-	-	4	3	3	2

In accordance with the Company's constitution, each member is liable to contribute \$20 in the event that the Company is wound up.

The total amount that members of the Company are liable to contribute if the Company is wound up is up to \$106,360 for 5,318 members (2023: \$102,580 for 5,129 members).

Australian Water Association Limited

ABN: 78 096 035 773

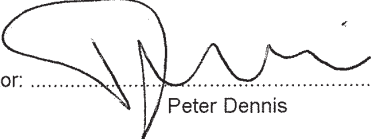
Directors' Report

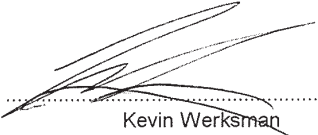
30 June 2024

Auditor's independence declaration

The auditor's independence declaration is included on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Peter Dennis

Director: 
Kevin Werksman

Dated this 17 day of October 2024

Australian Water Association Limited

ABN: 78 096 035 773

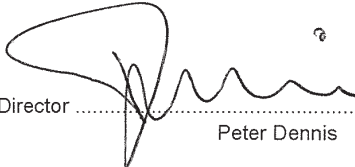
Directors' Declaration


The Directors of the Australian Water Association Limited declare that, in the Director's opinion:

i. there are reasonable grounds to believe that the company is able to pay all of its debts, as and when they become due and payable; and

ii. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director

Peter Dennis

Director

Kevin Werksman

Dated this 17 day of October 2024



Bentleys Sydney Audit Pty Ltd

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Australian Water Association Limited

ABN: 78 096 035 773

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Australian Water Association Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Michael Payne
Director
Sydney

BENTLEYS SYDNEY AUDIT PTY LTD
Chartered Accountants

Date: 17 October 2024

Australian Water Association Limited

ABN: 78 096 035 773

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	4	11,965,392	10,445,112
Marketing and event expenses		(4,494,078)	(3,669,714)
Occupancy expenses	5	(239,245)	(55,386)
Employee benefits expense		(4,575,250)	(3,856,349)
IT expense		(480,388)	(381,748)
Depreciation and amortisation expense	5	(457,642)	(454,185)
Travel expenses		(685,302)	(615,007)
Net gain on financial assets at fair value through profit or loss		35,036	50,090
Other operating expenses		(383,200)	(478,763)
Profit before income tax		685,323	984,050
Income tax expense		-	-
Profit for the year		685,323	984,050
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		685,323	984,050

The accompanying notes form part of these financial statements.

Australian Water Association Limited

ABN: 78 096 035 773

Statement of Financial Position

As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	6,918,530	5,872,540
Trade and other receivables	7	613,110	1,425,704
Other financial assets	8	484,309	472,900
Other assets	11	331,681	121,831
TOTAL CURRENT ASSETS		8,347,630	7,892,975
NON-CURRENT ASSETS			
Other financial assets	8	1,770,324	1,920,701
Property, plant and equipment	9	338,435	378,839
Intangible assets	10	222,846	258,228
Right-of-use assets	12	2,974,642	3,272,106
TOTAL NON-CURRENT ASSETS		5,306,247	5,829,874
TOTAL ASSETS		13,653,877	13,722,849
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,949,719	2,735,427
Lease liabilities	12	134,903	115,586
Employee benefits	15	186,178	153,587
TOTAL CURRENT LIABILITIES		2,270,800	3,004,600
NON-CURRENT LIABILITIES			
Lease liabilities	12	3,130,884	3,143,678
Employee benefits	15	47,892	55,593
Long-term provisions	14	50,000	50,000
TOTAL NON-CURRENT LIABILITIES		3,228,776	3,249,271
TOTAL LIABILITIES		5,499,576	6,253,871
NET ASSETS		8,154,301	7,468,978
EQUITY			
Retained earnings		8,154,301	7,468,978
TOTAL EQUITY		8,154,301	7,468,978

The accompanying notes form part of these financial statements.

Australian Water Association Limited

ABN: 78 096 035 773

Statement of Changes in Equity
For the Year Ended 30 June 2024

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2023	7,468,978	7,468,978
Profit for the year	685,323	685,323
Balance at 30 June 2024	8,154,301	8,154,301
Balance at 1 July 2022	6,484,928	6,484,928
Profit for the year	984,050	984,050
Balance at 30 June 2023	7,468,978	7,468,978

The accompanying notes form part of these financial statements.

Australian Water Association Limited

ABN: 78 096 035 773

Statement of Cash Flows
For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	13,671,160	10,840,498
Payments to suppliers and employees	(12,801,931)	(9,738,828)
Dividends and interest received	217,276	148,738
Finance costs	(150,690)	(21,219)
Net cash provided by/(used in) operating activities	21 935,815	1,229,189
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of available-for-sale investments	390,797	141,090
Payment for intangible asset	(51,102)	(135,649)
Purchase of property, plant and equipment	(33,290)	(362,445)
Payment for investments	(202,753)	(465,679)
Net cash (used in) investing activities	103,652	(822,683)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Lease liabilities inflow/(outflow)	(115,586)	(301,321)
Lease fit-out contribution received	122,109	-
Net cash (used in) financing activities	6,523	(301,321)
Net increase in cash and cash equivalents held	1,045,990	105,185
Cash and cash equivalents at beginning of year	5,872,540	5,767,355
Cash and cash equivalents at end of financial year	6 6,918,530	5,872,540

The accompanying notes form part of these financial statements.

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2024

The Australian Water Association is a membership association for all professionals and organisations in the water sector and is a not-for-profit entity. The principal and registered address is Suite 801, 9 Help Street, Chatswood, NSW 2067. The financial report covers Australian Water Association Limited as an individual entity. Australian Water Association Limited is a not-for-profit Company, registered and domiciled in Australia. The entity is a company limited by guarantee.

The functional and presentation currency of Australian Water Association Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 17 October 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Material Accounting Policies

(a) Revenue and other income

The Company is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058; where upon initial recognition of an asset, the Association is required to consider whether any other financial statement elements should be recognised (eg financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Membership Fees / event income

Revenue from the membership and events is recognised when the services are delivered and have passed at which time all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the service;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Grant revenue

When the Company receives operating grant revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15. When both these conditions are satisfied, the Company identifies each performance obligation relating to the grant and recognises revenue as it satisfies its performance obligations.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements
For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(b) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	10%
Office Equipment	17% - 33%
Leasehold improvements	Lease term
Right-of-Use - Buildings	Lease term

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements
For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(d) Financial instruments

Financial assets

Classification

On initial recognition, the Company classifies its financial assets into those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements
For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(d) Financial instruments

Financial assets

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Where a trade receivable is considered impaired, the amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables and lease liabilities.

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(e) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and six years.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Summary of Material Accounting Policies

(h) Leases

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2024. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2024

3 Critical Accounting Estimates and Judgments

Key estimates - revenue recognition

The Company receives income which span accounting periods. Recognition of revenue in relation to this involves judgement and estimation. The assumptions are based on the information available to management at the reporting date.

Key estimates - useful lives of property, plant and equipment

The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectable. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

Revenue from continuing operations

	2024	2023
	\$	\$
Operating Activities		
- Advertising revenue	122,705	204,125
- Delegate income	3,677,250	3,323,635
- Trade displays and exhibition income	2,602,436	2,102,062
- Government grants	1,412,573	977,275
- Sponsorship income	2,031,930	1,737,088
- Subscriptions	1,739,287	1,742,292
	<u>11,586,181</u>	<u>10,086,477</u>
Interest, investment and other revenue		
- Financial assets	114,067	90,487
- Cash	117,250	51,988
- Other income	147,894	216,160
	<u>379,211</u>	<u>358,635</u>
Total Revenue	<u>11,965,392</u>	<u>10,445,112</u>

5 Result for the Year

The result for the year includes the following specific expenses:

Depreciation and amortisation	160,178	171,989
Right-of-Use depreciation expense	297,464	282,196
	<u>457,642</u>	<u>454,185</u>
Occupancy expense	239,245	55,386
Bad debt expense / (recovery)	-	(18,860)

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2024

6 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank and in hand	6,918,530	5,872,540

7 Trade and Other Receivables

CURRENT

Trade and other receivables

Provision for impairment

499,726	1,197,019
(5,000)	(5,000)

494,726	1,192,019
---------	-----------

Deposits

GST receivable

95,707	204,828
22,677	28,857

Total current trade and other receivables

613,110	1,425,704
---------	-----------

8 Other Financial Assets

CURRENT

Other financial assets

Term deposit

484,309	472,900
---------	---------

NON-CURRENT

Financial assets at fair value through profit or loss

1,770,324	1,920,701
-----------	-----------

9 Property, Plant and Equipment

PLANT AND EQUIPMENT

Furniture, fixtures and fittings

At cost

Accumulated depreciation

94,232	73,802
(25,448)	(18,321)

Total furniture, fixtures and fittings

68,784	55,481
--------	--------

Office equipment

At cost

Accumulated depreciation

463,124	450,264
(294,891)	(241,525)

Total office equipment

168,233	208,739
---------	---------

Leasehold Improvements

At cost

Accumulated depreciation

160,074	160,074
(58,656)	(45,455)

Total leasehold improvements

101,418	114,619
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Total property, plant and equipment

338,435	378,839
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Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements
For the Year Ended 30 June 2024

9 Property, Plant and Equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings \$	Office Equipment \$	Leasehold Improvements \$	Total \$
Year ended 30 June 2024				
Balance at the beginning of year	55,481	208,739	114,619	378,839
Additions	20,430	12,860	-	33,290
Depreciation expense	(7,127)	(53,366)	(13,201)	(73,694)
Balance at the end of the year	68,784	168,233	101,418	338,435

10 Intangible Assets

	2024 \$	2023 \$
Intangible assets		
Cost	961,283	910,181
Accumulated amortisation and impairment	(738,437)	(651,953)
Total Intangibles	222,846	258,228

(a) Movements in carrying amounts of intangible assets

	Computer software \$	Total \$
Year ended 30 June 2024		
Balance at the beginning of the year	258,228	258,228
Additions	51,102	51,102
Amortisation	(86,484)	(86,484)
Closing value at 30 June 2024	222,846	222,846

11 Other Assets

CURRENT		
Prepayments	331,681	121,831

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2024

12 Leases

Company as a lessee

The Company has leases over land and buildings.

Terms and conditions of leases

Buildings

The Company leases a building for its head office. The lease is for a 6 year period with a renewal option to allow the Company to renew for up to 5 years once the non-cancellable lease term has finished. It is intended that the option will be taken up.

The lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Leases for IT equipment are generally considered to be for low value assets.

Right-Of-Use Assets

	Buildings \$	Total \$
Year ended 30 June 2024		
Right-of-Use - Buildings	3,272,106	3,272,106
Depreciation charge	(297,464)	(297,464)
Balance at end of year	2,974,642	2,974,642
Year ended 30 June 2023		
Right-of-Use - Buildings	257,409	257,409
Depreciation charge	(282,196)	(282,196)
Additions to right-of-use assets	3,296,893	3,296,893
Balance at end of year	3,272,106	3,272,106

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2024 \$	2023 \$
Interest expense on lease liabilities	(150,690)	(21,219)
Right-of-Use depreciation - buildings	(297,464)	(282,196)
	(448,154)	(303,415)

Statement of Cash Flows

Total cash outflow for leases	266,276	322,540
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Australian Water Association Limited

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Notes to the Financial Statements
For the Year Ended 30 June 2024

13 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	189,530	227,799
Sundry payables and accrued expenses	294,048	230,071
Deferred membership income	845,457	897,435
Other deferred income	620,684	1,380,122
	<u>1,949,719</u>	<u>2,735,427</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Provisions

NON-CURRENT		
Provisions - Leasehold Make Good	50,000	50,000

15 Employee Benefits

Current liabilities		
Employee benefits: annual leave	186,178	153,587
	<u>186,178</u>	<u>153,587</u>
Non-current liabilities		
Employee benefits: Long service leave	47,892	55,593
	<u>47,892</u>	<u>55,593</u>

16 Financial Risk Management

Financial assets			
Held at amortised cost			
Cash and cash equivalents	6	6,918,530	5,872,540
Trade and other receivables	7	613,110	1,425,704
Other financial asset	8	484,309	472,900
Fair value through profit or loss (FVTPL)			
Financial assets at fair value through profit or loss	8	1,770,324	1,920,701
Total financial assets		9,786,273	9,691,845
Financial liabilities			
Held at amortised cost			
Trade and other payables	13	483,577	457,870
Total financial liabilities		483,577	457,870

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements
For the Year Ended 30 June 2024

17 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 1,154,270 (2023: \$ 1,074,641).

The above remuneration has increased due to CPI increases and the full senior leadership team being on board during the current financial year.

18 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor, for:		
- Audit of financial statements	35,450	34,300
- Other services	-	2,395
Total	35,450	36,695

19 Related Parties

The Company's main related parties are as follows:

Key management personnel - refer to Note 17

Other than the above there were no other related party transactions during the year.

20 Contingencies

Contingent Liabilities

Australian Water Association Limited had the following contingent liabilities at the end of the reporting period:

(a) Amounts guaranteed, relationship and nature of guarantee

The Company has issued a letter of set off in the amount of \$270,904 (2023: \$270,904) with respect to an agreement for the leased premises at Suite 801, 9 Help Street, Chatswood. The previous letter of set off for the leased premises at Level 6, 655 Pacific Highway St Leonards was released during the year (2023: \$201,995).

(b) Unused bank facility

The company has an unused auto pay facility in the amount of \$350,000 with Australia and New Zealand Banking Group (2023: \$350,000) with respect to payroll and a BCCL facility of \$50,000 with Australia and New Zealand Banking Group (2023: \$50,000).

Australian Water Association Limited

ABN: 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2024

21 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Profit for the year	685,323	984,050
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	86,484	70,919
- depreciation	73,694	101,070
- depreciation of ROU asset	297,464	282,196
- net loss on disposal of property, plant and equipment	-	24,833
- loss on disposal of intangibles	-	2,606
- gain on disposal of lease	-	(5,985)
- net (gain)/loss on disposal of investments	(14,040)	6,263
- fair value movements on investments	(35,036)	(50,090)
Changes in assets and liabilities:		
- decrease/(increase) in trade and other receivables	806,414	(528,811)
- increase in other assets	(203,670)	(61,617)
- (decrease)/increase in trade and other payables	(785,708)	411,248
- increase/(decrease) in provisions	24,890	(7,493)
Cashflows from operations	<u>935,815</u>	<u>1,229,189</u>

22 Events occurring after the end of the reporting period

The financial report was authorised for issue on 17 October 2024 by the Board of Directors.

Other than the above, no matter or circumstance has arisen in the interval between the end of the financial year and the date of this report that has significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of the affairs of the Company in the future financial years.

23 Statutory Information

The registered office and principal place of business of the company is:

Australian Water Association Limited
Suite 801
9 Help Street
Chatswood NSW 2067

Bentleys Sydney Audit Pty Ltd

Level 14, 60 Margaret Street
Sydney NSW 2000
Australia

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Australian Water Association Limited

ABN: 78 096 035 773

Independent Audit Report to the Members of Australian Water Association Limited**Report on the Audit of the Financial Report**

We have audited the financial report of Australian Water Association Limited (the Company), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and the directors' declaration.

In our opinion, the financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act) including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year then ended; and
- ii. complying with Australian Accounting Standards, General Purpose – Simplified Disclosure, and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards, General Purpose – Simplified Disclosure Requirements, and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Michael Payne
Director
Sydney



Bentleys Sydney Audit Pty Ltd
Chartered Accountants

Dated: 17 October 2024



AUSTRALIAN WATER

ASSOCIATION

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