



**AUSTRALIAN  
WATER**

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ASSOCIATION

**AUSTRALIAN WATER ASSOCIATION LIMITED**  
Annual Report 2021/22



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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 2022.

## Information about the Directors

The names of the directors of the company during or since the end of the financial year are:

**Louise Dudley**

**Karlene Maywald**

**Shelley Shepherd**

**Carmel Krogh OAM**

**Jim Athanas**

**Daniel Sullivan**

**Peter Dennis**

**Dr Sandra Ridge (Hall)**

**Kevin Werksman**

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



### Carmel Krogh OAM

**Immediate Past President**  
(until 12 May 2022)

#### Qualifications

BE (Civil), MEng, MBA, Grad Dip LGE, GAICD, PMAWA

#### Position

Sole Trader - Carmel Frances Krogh  
Non-Executive Director - Water Utilities Australia TopCo Pty Ltd  
Non-Executive Director - Water Utilities Australia MidCo Pty Ltd

#### Special Responsibilities

Succession Planning, People & Culture Committee  
International Programs Committee



### Louise Dudley

**President**  
(President May 2021 - current)

#### Qualifications

BCom CA, GAICD, PMAWA, CompIEAustEngExec

#### Position

CEO, Queensland Urban Utilities  
Director, WSAA (Water Services Association of Australia)  
Trustee, LMD Holdings  
Trustee, CEDA's Queensland State Advisory Council (Committee for Economic Development of Australia)

#### Special Responsibilities

Governance & Audit Committee  
Succession Planning, People & Culture Committee



### Peter Dennis

#### **President Elect**

(from May 2022)

#### **Qualifications**

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

#### **Position**

Managing Director, 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 & Culture Committee

Governance & Audit Committee

International Programs Committee



### Jim Athanas

#### **Director**

#### **Qualifications**

BE (Hons) Chemical Engineering, MMgmt Finance and Marketing, GAICD

#### **Position**

Vice President, Product Management & Strategy Emerging Markets, Xylem

#### **Special Responsibilities**

Member Experience Subcommittee

Digital Committee



### Karlene Maywald

#### **Director**

#### **Qualifications**

Honorary Doctor of Laws, Flinders University Grad Dip Malting & Brewing, Federation University

#### **Position**

Managing Director, Maywald Consultants Pty Ltd

Chair, CSIRO Advisory Panel (Land and Water Business Unit)

Chair, Peter Cullen Environment & Water Trust

Chair, WaterAid Australia Director/Trustee, WaterAid International

Chair, WaterEd Australia Pty Ltd Irrigation Australia – ICID Congress 2022

Organising Committee South Australian Government

Water Ambassador Shareholder, Hydro-Dis International Ltd

#### **Special Responsibilities**

Succession, Planning, People and Culture Committee

International Programs Committee





### Dr Sandra Ridge (Hall)

#### **Director**

#### **Qualifications**

BAppSc Biotechnology, PhD

#### **Position**

Operations and Business Development Manager, Advanced Water Management Centre, University of Queensland

#### **Special Responsibilities**

Governance & Audit Committee  
Member Experience Committee



### Shelley Shepherd

#### **Director**

#### **Qualifications**

BSc Zoology, MBA, GAICD

#### **Position**

Managing Director, Urbaqua Ltd  
Committee Member, Stormwater WA  
Program Manager, New Water Ways Inc

#### **Special Responsibilities**

Member Experience Committee  
Governance & Audit Committee



### Daniel Sullivan

#### **Director**

#### **Qualifications**

BCom, MBA, GAICD

#### **Position**

CEO, Iota Services

#### **Special Responsibilities**

International Programs Committee  
Digital Committee



### Kevin Werksman

#### **Director**

#### **Qualifications**

BE Chemical Engineering, BComm, GradCertEnvMgmt. Harvard Leadership Program

#### **Position**

Global Water Leader, Aurecon

#### **Special Responsibilities**

Governance & Audit Committee  
Digital Committee  
Member Experience Strategy



## President's Message

The FY22 year has been one of the most successful years on record, with an outstanding Ozwater'22, strong member growth, strengthening of our industry relationships, new ways of delivering our international program, and the return of events. Even though there was a continuing risk of COVID-19, the Association proactively managed that risk and most major events for the year were successfully delivered.

### Our Members

As we reflect and celebrate the 60th anniversary of the Australian Water Association, we continue to develop a great foundation for the Association's next 60 years. Our Association continues to grow, as our membership increased by 8.5% during the year. With the easing of restrictions, I have been able to meet face to face with our members. There has been great energy and enthusiasm at events across the country and internationally, reinforcing the opportunity for *connection* provided by the Association.

Our strong financial position has allowed for us to invest in new capability and our digital transformation. We are already seeing the improvement in member insights that will allow us to ensure we continue to provide greater value and benefits to our members.

### Ozwater'22

Our flagship event, Ozwater, in Brisbane, was our biggest ever. Ozwater is Australia's premier water exhibition and conference and continues to be the focal event to hear about, discuss and debate the big challenges and opportunities that will drive a *sustainable water future*. Topics included climate change, adaption and mitigation, water security, impacts of urbanisation, liveability-centred design and environmental leadership. It is also pleasing to see the increased focus on Indigenous water knowledge and the provision of services to Indigenous and remote communities.

The systemic risks and interdependencies that these challenges and opportunities bring require cross-sector collaboration, which is a key feature of Ozwater. A unique part of Ozwater is the involvement of members in contributing to the program. The Ozwater program committees continue to do an excellent job of curating a program that ensures the big topics are covered, and key technical areas such as asset management and excellence in operations include best practice.

### International Program

Our International Program has been successful based on a strong foundation and the relationships established with our funding partners and in-country partners. We successfully delivered Vietnam Australia Water Week virtually, brought our International Partners together at Ozwater'22, entered the South Pacific market through the Covid Surveillance Program in Fiji and delivered the Cambodia Australia Water Policy Forum in Phnom Penh in June. This is another way we are driving a sustainable water future and contributing to *Sustainable Development Goal 6 - Clean water and sanitation for all*.

### Strategy'25

The Board, Branches, and staff, together with member insights gathered through our Membership survey and an understanding of the megatrends impacting associations, developed our next strategy this year. Our members were encouraged to provide input to Strategy'25 at Ozwater in Brisbane, making it our most consultative strategy development process to date. Our purpose to *'Inspire and Drive a Sustainable Water Future'* was reconfirmed, and Strategy'25 will continue to deliver on this purpose.


Looking forward, we will launch and work towards our aspirations set out in Strategy'25.

### President Elect

In May 2022, the Board elected Peter Dennis to be the next President of the Association. Peter is the General Manager, Water (Australia) for Beca Hunter H2O. Peter has made substantial contributions to sustainable urban water management in the Hunter and elsewhere throughout Australia, including pioneering work on effluent recycling, beneficial use of biosolids in the Hunter and energy-efficient design of water infrastructure. With over 35 years in the industry, Peter has extensive experience in water industry management and is widely recognised as one of the leading water industry strategists. Peter takes up the presidency following Ozwater'23.

### Acknowledgments

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 60 years, you all have continued to support our members *to connect, share and inspire to drive a sustainable water future*.



**Louise Dudley**  
President



## CEO's Message



Celebrating 60 years since the Australian Water Association's formation in 1962 provided an opportunity for us to reflect on our rich history and the contribution of our volunteers and members over this time. We kicked off our celebrations at Ozwater'22 with the theme *'Our Water Journey'*, launched our *'Celebrating 60 years logo'*, extended our *'50 years of water'* booklet to include the last decade, and created a short *'Celebrating 60 years'* video that has been screened at our events and shared through our social channels. We also recognised our members' loyalty by providing milestone member pins for 10, 20 and 30+ years of membership.

### Financial Results and Highlights

This year's financial results were excellent despite further disruption due to COVID-19 lockdowns and border closures leading to the cancellation of some of our State-based events. We continued prudent financial management, focused on member engagement, and our members turned out in high numbers at every opportunity when events were permitted. NSW Government job support provided funding during the uncertainty, with most staff located in Sydney.

Our financial results exceeded our expectations; reopening following COVID-19 lockdowns and, with the country opening up in early 2022, we held our biggest Ozwater to date with over 3,000 people attending our Ozwater'22 Conference and Exhibition in Brisbane. While we did not see the full return to our previous international delegate attendance, we were able to host our funded International Program delegates from our partner countries in Vietnam, Cambodia, and Indonesia, and all Ozwater delegates were also able to participate.

While we had to cancel some State-based events, most of our major dinners and conferences could eventually proceed in some form.

As we focus on member engagement and strengthening our value proposition through our member-centric transformation, we saw net growth in both our Corporate Members (+17) and Individual Members (+353). We made a change to our member categories replacing *'Water Supporters'* with *'Concession'* which has been well received (net membership growth was adjusted for the removal of water supporters). Our member experience was also favourable, with an overall Net Promoter Score (NPS) of +7.

Our financial performance exceeded our target expectations with our operating surplus of \$1,100K, our total revenue of \$9,292K, and our total expenses of \$8,192K. This result strengthened our balance sheet bringing our total net assets to \$6.5M, providing the opportunity to invest further in our CX Digital Transformation and deliver on our strategic goals and projects in the final year of Strategy'22.

### Our People

A focus on the health, safety and wellbeing of our people continued as a top priority for the year. Through our Employee Survey, 96% of staff strongly agreed that *'My safety and wellbeing is AWA's priority'*. Our overall score for Employee Engagement was 89%, with the top-rated areas by staff: AWA Values (94%); Inclusion, Diversity and Work Life Balance (90%); Leadership (89%); Communication (89%); One AWA (88%); and Wellbeing (87%).

We have continued to work closely with our committees, virtual meetings allowed AWA Directors and I to join on occasion, and Louise Dudley and I continued to meet with Branch Presidents regularly throughout the year. Our volunteer NPS +31 revealed how connected our volunteers are.

### Strategy'22 and towards Strategy'25

This year saw the final year of Strategy'22 and the development of our next strategy - Strategy'25. Overall we can be proud of what we have collectively achieved through Strategy'22. Just some of the highlights include: achieving our International Program goals; the upgrade of our financial management system and launch of our new CX Platform (including our new website); National Water Week 2021 had our first Indigenous theme *'Caring for water and Country'*, and we increased engagement; our YWPs are important to us and we held our joint AWA/IWA YWP Conference in Sydney with our NZ friends in June.

Our CX Digital Transformation will continue to enable us to personalise our member experience, attract new members and remain relevant. Our member growth, including extending our reach into new areas, makes us even more relevant and will enable us to achieve greater diversity and inclusion. We are also continuing to diversify our revenue and reduce our risk and reliance on one significant event and deliver even greater value to our members.

Looking forward, we will launch and work towards our aspirations set out in Strategy'25. With the challenges and opportunities faced in Australia and globally, AWA will continue to play a crucial role - connecting, sharing and inspiring members, stakeholders and communities as we work together towards a sustainable water future.



**Corinne Cheeseman**  
CEO

## Strategy'22

A strategic plan for the Australian Water Association.

### Strategic Goal 1 Partnerships

#### Focus Areas

#### 1. Technology Partnerships

Technology partnerships to enhance engagement between staff, volunteers and members, including a new CRM to increase effectiveness.

#### 2. Governments & Stakeholders

Consolidate our partnerships with Commonwealth and State Governments and industry allies (member organisations, universities and community groups) on programs, information and activities.

#### 3. Sustainable Development Goals

Facilitate partnerships to deliver projects on the Sustainable Development Goals in Australia, SE Asia, and the Pacific.

#### 4. Asia-Pacific

Strengthen our partnerships across the Asia-Pacific Region for trade and promoting Australian water expertise.

### Strategic Goal 2 Extending Our Reach

#### Focus Areas

#### 5. Community Engagement

Develop a two-way conversation with the community to enhance water literacy and positive community engagement through our digital platforms, publications, Branches, Specialist Networks, events, and other activities.

#### 6. Model to Extend Reach

Review our model of membership, Branches, and Specialist Networks to enable the extension of our reach.

#### 7. Urban, Remote & Rural

Understand the needs of our urban, remote and rural members to better engage with them through our digital platforms, events and other activities.

#### 8. Other Industry Sectors

Engage with other industry sectors with a strong connection with water through our Branches, Specialist Networks, events, and other activities.

### Strategic Goal 3 Diversity & Inclusion

#### Focus Areas

#### 9. Indigenous Water

Develop activities to improve understanding of our Indigenous water culture, including the facilitation of an Association Indigenous Reconciliation Action Plan.

#### 10. Innovation

Promote innovations in management, projects, and outcomes achieved by our members and by leveraging our Specialist Networks.

#### 11. Channeling Change

Broaden our Channeling Change Program to incorporate a new range of activities to promote diversity and inclusion.

#### 12. Young Water Professionals

Review and enhance our YWP activities to encourage greater involvement of YWPs from across the water sector.



## 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.

## Financial Performance

We have had another successful year and a surplus of \$1.1M, including \$0.3M from the NSW Government JobSaver subsidy payment.

The favourable outcome is primarily driven by an exceptional Ozwater'22 conference held face-to-face in Brisbane. The demand for face-to-face events was strong after another year of Covid impacts.

**Financial performance for the year ended 30 June 2022 was:**

**Operating Surplus: \$1,100K, down 33% on 2020/21**

**Total Revenue: \$9,292K, up 22% on 2020/21**

**Total Expenses: \$8,192K, up 36% on 2020/21**

Our five year financial performance summary is detailed below:

\$'000	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Revenue</b>	\$8,050	\$8,507	\$5,317	\$7,638	\$9,292
<b>Operating Expenses</b>	\$7,418	\$7,792	\$6,332	\$6,006	\$8,192
<b>Operating Surplus</b>	\$632	\$715	(\$1,015)	\$1,632	\$1,100

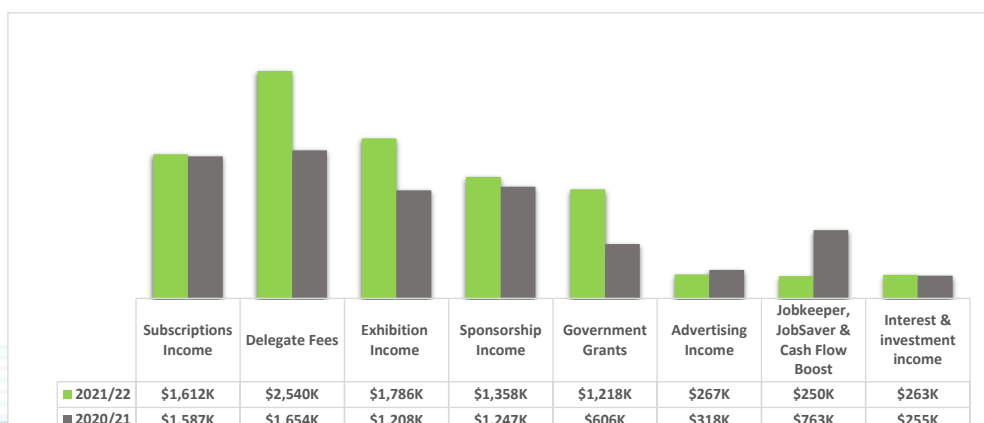
Our financial position continues to grow, and the operating surplus generated has brought our net assets to \$6.5M for the year ended 30 June 2022. Our primary sources of revenue were membership subscriptions, international programs, revenue generated through our events, tickets & exhibition sales and sponsorship income. The overall revenue was up by 22%, mainly contributed by the outstanding results from the Ozwater'22 conference and the uplift in international Programs' income due to the deferred milestone revenue from the prior year caused by Covid. Expenses were also up by 36%, driven by increased event-related costs and IT expenses as we enhanced our IT infrastructure.

## Revenue Summary

The gross revenue for the year ended 30 June 2022 was \$9,292K, and the primary sources were membership subscriptions, international programs, and the event generated delegate, exhibition and sponsorship revenue. The international program's revenue increased by 101% due to the deferred milestone revenue from the prior year due to Covid. The major government grant funding programs have concluded in this financial year.

The overall event generated revenue increased by 38% due to the strong demand for face-to-face events after another year of Covid impacts. Advertising revenue, however, declined by 16% as advertising has shifted back to the sponsorship of events to get in front of their target audience.

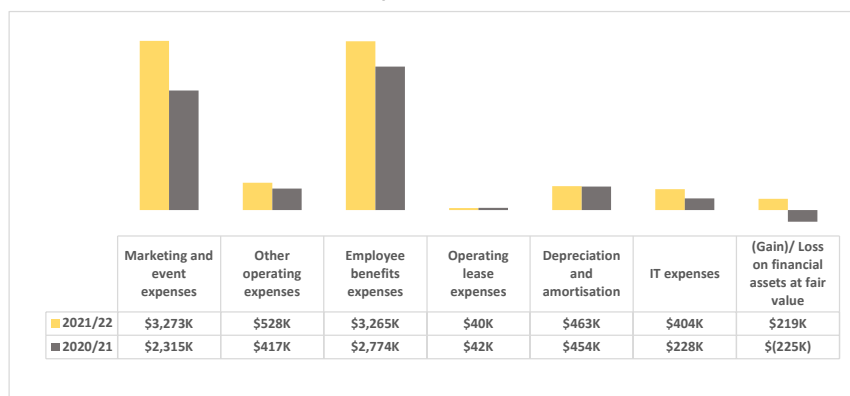
Membership subscriptions increased slightly by 2%. We have launched our new CRM platform this year and have seen improvement in our member engagement. We will continue enhancing the CRM platform in the coming year to create more value for our members, achieve higher member acquisition and retention rates, and drive additional membership revenue.





## Operating Expense Summary

The operating expenses for the year ended 30 June 2022 were \$8,192K, up 36% from 2020/21. This was driven by increased event-related costs, IT expenses as we were enhancing our IT infrastructure, and the fair value loss on the change in the market value of our investment portfolio.



## Key Performance Measures

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

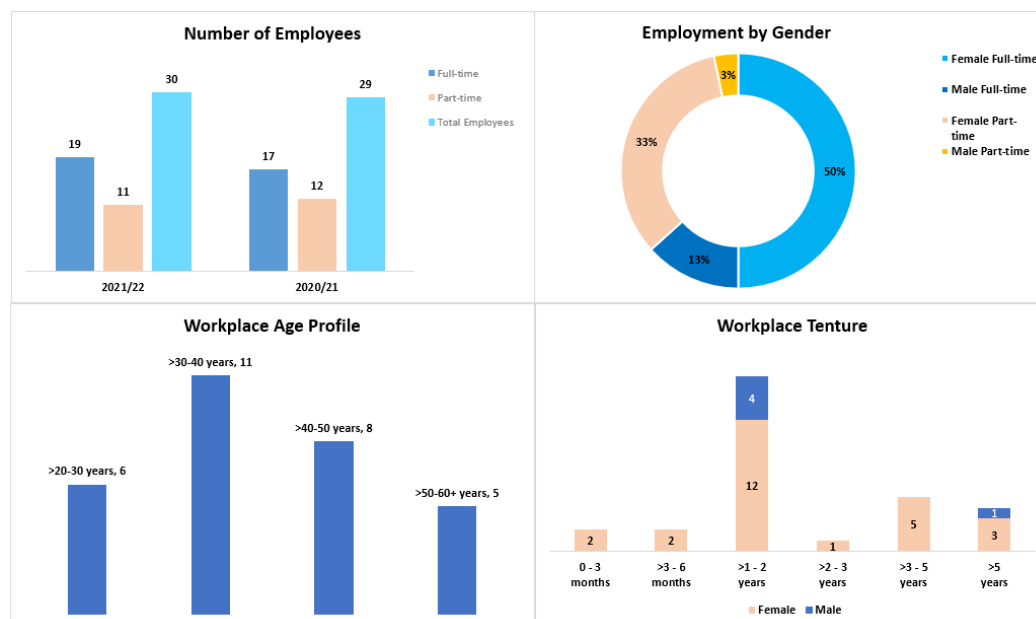
Key Performance Measures	Type	2021/22	2020/21
1. Return on assets (Net Profit/Total Assets)	Profitability	12%	20%
2. Return on equity (Net Profit/Total Equity)	Profitability	17%	30%
3. Current ratio (Current Assets/Current Liability)	Liquidity	2.4	2.3

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.

## Our Workforce Profile



## **Australian Water Association Limited**

ABN: 78 096 035 773

## **Directors' Report**

**30 June 2022**

The directors present their report on Australian Water Association Limited for the financial year ended 30 June 2022.

### **Introduction**

The financial statements are general purpose - simplified disclosure financial statements which have been prepared in accordance with the Australian Charities and Not-for-Profits Commission 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 2021/2022 financial year and the overall financial position at the end of the financial year (30 June 2022).

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 Committee 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 includes 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 accruals 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 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 2022

### 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 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 2022**

### **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**

On 11 March 2020, the World Health Organization declared COVID-19 a global pandemic. While COVID-19 is a health crisis, it has caused socioeconomic disruption on a global scale. The Company has considered the impact of COVID-19 when preparing the financial statements and related note disclosures. In the opinion of the Directors, whilst the widespread outbreak of COVID-19 has impacted the normal course of operations during the financial year, the Company does not foresee a material financial impact resulting from the COVID-19 outbreak. The Company continues to comply with national and state public health orders.

Other than the above, there have been no significant changes in the state of affairs of the Company during the financial 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.

## Australian Water Association Limited

ABN: 78 096 035 773

## Directors' Report

30 June 2022

### Meetings of directors

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

During the financial year, 29 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board meetings		Governance and Audit Committee		Succession Planning Committee		Member Experience Committee		International Programs Committee		Digital Committee	
	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	Number eligible to attend	Number attended
Carmel Krogh	6	6	1	1	3	3	-	-	4	4	-	-
Peter Dennis	7	7	7	7	4	4	-	-	4	4	-	-
Daniel Sullivan	7	6	1	1	-	-	-	-	4	4	4	4
Sandra Ridge	7	7	7	7	-	-	3	3	2	2	-	-
Louise Dudley	7	7	7	7	4	4	-	-	-	-	-	-
Jim Anthanopoulos	7	5	1	-	-	-	3	1	-	-	4	3
Shelley Sheperd	7	7	6	4	-	-	3	2	-	-	4	3
Hon. Karlene Maywald	7	7	1	-	4	3	-	-	4	3	-	-
Kevin Werksman	7	5	7	5	-	-	3	3	-	-	4	3

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

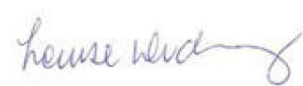
The total amount that members of the company are liable to contribute if the company is wound up is up to \$101,760 for 5,088 members (2021: \$107,400 for 5,370 members)

### Auditor's independence declaration

The auditor's independence declaration is included on page 17 of the financial report.

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

Director:  Peter Dennis

Director:  Louise Dudley

Dated this 28 day of October 2022



## 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 .....  
Louise Dudley

Dated this ..... 28 ..... day of ..... October ..... 2022:



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### Australian Water Association Limited

ABN: 75 096 035 773

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, 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*.

Kevin Cranfield

Director

Sydney

BENTLEYS SYDNEY AUDIT PTY LTD

Chartered Accountants

Date:

28/10/2022



A member of Bentleys, a network of independent advisory and accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only, are separate legal entities and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation. A member of Allinial Global - an association of independent accounting and consulting firms.



## Australian Water Association Limited

ABN: 78 096 035 773

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue	4	9,291,882	7,637,840
Marketing and event expenses		(3,272,916)	(2,315,244)
Occupancy expenses	5	(40,033)	(42,351)
Employee benefits expense		(3,265,172)	(2,774,446)
IT expense		(403,583)	(227,533)
Depreciation and amortisation expense	12	(462,741)	(453,740)
Net gain/(loss) on financial assets at fair value through profit or loss		(219,384)	225,144
Other operating expenses		(527,734)	(417,481)
<b>Profit before income tax</b>		<b>1,100,319</b>	<b>1,632,189</b>
Income tax expense		-	-
<b>Profit for the year</b>		<b>1,100,319</b>	<b>1,632,189</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,100,319</b>	<b>1,632,189</b>

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 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	5,767,355	4,262,008
Trade and other receivables	7	868,036	726,231
Other financial assets	8	201,995	201,995
Other assets	11	156,893	123,215
<b>TOTAL CURRENT ASSETS</b>		<b>6,994,279</b>	<b>5,313,449</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	8	1,823,190	1,862,151
Property, plant and equipment	9	142,298	235,539
Intangible assets	10	196,104	117,703
Right-of-use assets	12	257,409	538,217
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,419,001</b>	<b>2,753,610</b>
<b>TOTAL ASSETS</b>		<b>9,413,280</b>	<b>8,067,059</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	2,385,893	1,844,563
Lease liabilities	12	319,677	310,968
Employee benefits	14	153,600	122,471
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,859,170</b>	<b>2,278,002</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	12	-	319,677
Employee benefits	14	63,073	66,445
Other financial liabilities		6,109	18,326
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>69,182</b>	<b>404,448</b>
<b>TOTAL LIABILITIES</b>		<b>2,928,352</b>	<b>2,682,450</b>
<b>NET ASSETS</b>		<b>6,484,928</b>	<b>5,384,609</b>
<b>EQUITY</b>			
Retained earnings		6,484,928	5,384,609
<b>TOTAL EQUITY</b>		<b>6,484,928</b>	<b>5,384,609</b>

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 2022

2022

	Retained Earnings \$	Total \$
<b>Balance at 1 July 2021</b>	<b>5,384,609</b>	<b>5,384,609</b>
Profit attributable to members of the parent entity	1,100,319	1,100,319
<b>Balance at 30 June 2022</b>	<b>6,484,928</b>	<b>6,484,928</b>
<b>Balance at 1 July 2020</b>	3,752,420	3,752,420
Profit attributable to members of the parent entity	1,632,189	1,632,189
<b>Balance at 30 June 2021</b>	<b>5,384,609</b>	<b>5,384,609</b>

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 2022

	Note	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		7,737,346	7,388,298
Payments to suppliers and employees		(5,896,003)	(6,363,757)
Dividends and interest received		74,048	66,484
Interest paid		(26,524)	(38,677)
Receipt from grants		249,686	763,450
Net cash provided by/(used in) operating activities	20	2,138,553	1,815,798
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payment for intangible asset		(158,602)	(60,838)
Purchase of property, plant and equipment		(8,489)	(15,023)
Purchase of financial assets		(349,063)	(91,301)
Proceeds from sale of investment		193,916	-
Net cash provided by/(used in) investing activities		(322,238)	(167,162)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of lease liabilities		(310,968)	(283,690)
Net cash provided by/(used in) financing activities		(310,968)	(283,690)
Net increase/(decrease) in cash and cash equivalents held		1,505,347	1,364,946
Cash and cash equivalents at beginning of year		4,262,008	2,897,062
Cash and cash equivalents at end of financial year	6	5,767,355	4,262,008

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 2022

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 Level 6, 655 Pacific Highway, St Leonards, NSW 2065. 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 28 October 2022.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The Company has adopted AASB1060 General Purpose Financial Statements - *Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

Other than the change in disclosure requirements, the adoption of AASB1060 has no significant impact on the financial statements because the Company's previous financial statements complied with *Australian Accounting Standards - Reduced Disclosure Requirements*.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

##### Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

##### 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 2022

### 2 Summary of Significant 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.

##### **Other income**

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

#### (b) Income tax

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

#### (c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

## Australian Water Association Limited

ABN: 78 096 035 773

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (c) Goods and services tax (GST)

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (d) 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	15 - 25%
Leasehold improvements	25%
Right-of-Use - Buildings	20%

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.

#### (e) 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).



## Australian Water Association Limited

ABN: 78 096 035 773

# Notes to the Financial Statements For the Year Ended 30 June 2022

## 2 Summary of Significant Accounting Policies

### (e) Financial instruments

#### 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.

#### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, 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.

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.

## Australian Water Association Limited

ABN: 78 096 035 773

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (e) Financial instruments

##### Financial assets

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.

#### (f) 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-

## Australian Water Association Limited

ABN: 78 096 035 773

# Notes to the Financial Statements

## For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

**(f) Impairment of non-financial assets**  
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.

**(g) 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.

**(h) 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.

**(i) 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.

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.



## Australian Water Association Limited

ABN: 78 096 035 773

# Notes to the Financial Statements For the Year Ended 30 June 2022

## 2 Summary of Significant Accounting Policies

### (i) Leases

#### *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.

### (j) 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.

### (k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2022, 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.

### **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.

## Australian Water Association Limited

ABN: 78 096 035 773

### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 4 Revenue and Other Income

##### Revenue from continuing operations

	2022	2021
	\$	\$
Operating Activities		
- Advertising revenue	267,109	317,941
- Delegate income	2,539,652	1,654,123
- Trade displays and exhibition income	1,786,206	1,207,699
- Government grants	1,217,638	606,241
- sponsorship income	1,357,529	1,246,780
- Subscriptions	1,611,554	1,587,023
	<u>8,779,688</u>	<u>6,619,807</u>
Interest, investment and other revenue		
- Financial assets	98,788	64,673
- Cash	537	1,810
- Other income	163,183	188,100
- Government income	249,686	763,450
	<u>512,194</u>	<u>1,018,033</u>
<b>Total Revenue</b>	<u><b>9,291,882</b></u>	<u><b>7,637,840</b></u>

#### 5 Result for the Year

The result for the year includes the following specific expenses:

Depreciation and amortisation	181,933	186,082
Right-of-Use depreciation expense	280,808	267,658
Occupancy expenses	40,033	42,351
Bad debt expense	21,099	2,282

#### 6 Cash and Cash Equivalents

Cash at bank and in hand	5,767,355	4,262,008
	<u><b>5,767,355</b></u>	<u><b>4,262,008</b></u>

#### 7 Trade and Other Receivables

CURRENT		
Trade and other receivables	780,365	655,781
Provision for impairment	(30,000)	(13,499)
	<u>750,365</u>	<u>642,282</u>
Deposits	117,671	83,949
<b>Total current trade and other receivables</b>	<u><b>868,036</b></u>	<u><b>726,231</b></u>

## Australian Water Association Limited

ABN: 78 096 035 773

### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 8 Other Financial Assets

	2022 \$	2021 \$
<b>CURRENT</b>		
Other financial assets		
Term deposit	<b>201,995</b>	201,995
	<b>201,995</b>	201,995
<b>NON-CURRENT</b>		
Financial assets at fair value through profit or loss	<b>1,823,190</b>	1,862,151
	<b>1,823,190</b>	1,862,151
<b>Total</b>	<b>2,025,185</b>	2,064,146

#### 9 Property, Plant and Equipment

<b>PLANT AND EQUIPMENT</b>		
Furniture, fixtures and fittings		
At cost	<b>26,725</b>	26,725
Accumulated depreciation	<b>(22,101)</b>	(21,173)
Total furniture, fixtures and fittings	<b>4,624</b>	5,552
Office equipment		
At cost	<b>266,521</b>	258,032
Accumulated depreciation	<b>(219,833)</b>	(194,304)
Total office equipment	<b>46,688</b>	63,728
Leasehold Improvements		
At cost	<b>313,020</b>	313,020
Accumulated depreciation	<b>(222,034)</b>	(146,761)
Total leasehold improvements	<b>90,986</b>	166,259
<b>Total property, plant and equipment</b>	<b>142,298</b>	235,539



## Australian Water Association Limited

ABN: 78 096 035 773

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 9 Property, Plant and Equipment

#### 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
	\$	\$	\$	\$
<b>Year ended 30 June 2022</b>				
Balance at the beginning of year	5,552	63,728	166,259	235,539
Additions	-	8,489	-	8,489
Depreciation expense	(928)	(25,529)	(75,273)	(101,730)
<b>Balance at the end of the year</b>	<b>4,624</b>	<b>46,688</b>	<b>90,986</b>	<b>142,298</b>

### 10 Intangible Assets

	2022	2021
	\$	\$
Intangible assets		
Cost	782,592	623,990
Accumulated amortisation and impairment	(586,488)	(506,287)
<b>Total Intangibles</b>	<b>196,104</b>	<b>117,703</b>

#### Movements in carrying amounts of intangible assets

	Computer software	Total
	\$	\$
<b>Year ended 30 June 2022</b>		
Balance at the beginning of the year	117,703	117,703
Additions	158,602	158,602
Transfers		
Amortisation	(80,201)	(80,201)
<b>Closing value at 30 June 2022</b>	<b>196,104</b>	<b>196,104</b>

## Australian Water Association Limited

ABN: 78 096 035 773

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 11 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	156,893	123,215
	<u>156,893</u>	<u>123,215</u>

### 12 Leases

#### Company as a lessee

The Company has leases over land and buildings.

#### *Terms and conditions of leases*

#### Buildings

The Company leases the building for their head office, with the lease generally being renewed between 1 - 5 years, with a renewal option to allow the Company to renew for up to 3 years once the non-cancellable lease term has finished.

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
	\$	\$
<b>Year ended 30 June 2022</b>		
Right-of-Use - Buildings	538,217	538,217
Depreciation charge	(280,808)	(280,808)
<b>Balance at end of year</b>	<u>257,409</u>	<u>257,409</u>

	Buildings	Total
	\$	\$
<b>Year ended 30 June 2021</b>		
Right-of-Use - Buildings	837,435	837,435
Depreciation charge	(267,658)	(267,658)
Reductions in right-of-use assets due to changes in lease liability	(31,560)	(31,560)
<b>Balance at end of year</b>	<u>538,217</u>	<u>538,217</u>

## Australian Water Association Limited

ABN: 78 096 035 773

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 12 Leases 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:

	2022	2021
	\$	\$
Interest expense on lease liabilities	(26,524)	(38,677)
Right-of-Use depreciation - buildings	(280,808)	(267,658)
	<u>(307,332)</u>	<u>(306,335)</u>

#### Statement of Cash Flows

Total cash outflow for leases	<u>337,492</u>	<u>322,367</u>
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### 13 Trade and Other Payables

CURRENT		
Trade payables	329,232	107,700
GST payable	67,822	47,911
Sundry payables and accrued expenses	300,717	194,321
Deferred membership income	847,829	808,508
Other deferred income	840,293	686,123
	<u>2,385,893</u>	<u>1,844,563</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 Employee Benefits

Current liabilities		
Employee benefits: annual leave	153,600	122,471
	<u>153,600</u>	<u>122,471</u>
Non-current liabilities		
Employee benefits: Long service leave	63,073	66,445
	<u>63,073</u>	<u>66,445</u>



## Australian Water Association Limited

ABN: 78 096 035 773

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 15 Financial Risk Management

		2022 \$	2021 \$
<b>Financial assets</b>			
Held at amortised cost			
Cash and cash equivalents	6	5,767,355	4,262,008
Trade and other receivables	7	868,036	726,231
Other financial asset	8	201,995	201,995
Fair value through profit or loss (FVTPL)			
Financial assets at fair value through profit or loss	8	1,823,190	1,862,151
<b>Total financial assets</b>		<b>8,660,576</b>	<b>7,052,385</b>
<b>Financial liabilities</b>			
<b>Financial liabilities at fair value</b>			
Trade and other payables	13	697,771	349,932
<b>Total financial liabilities</b>		<b>697,771</b>	<b>349,932</b>

### 16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 953,542 (2021: \$ 855,154).

The above remuneration has increased due to the full Senior Leadership team on board during the current financial year.

### 17 Auditors' Remuneration

Remuneration of the auditor, for:

- Audit of financial statements	33,000	31,500
- other services	2,415	2,550
<b>Total</b>	<b>35,415</b>	<b>34,050</b>

### 18 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 \$201,995 (2021: \$201,995) with respect to an agreement for the leased premises at Level 6, 655 Pacific Highway St Leonards.

(b) Unused bank facility

The company has an unused auto pay facility in the amount of \$220,000 with Australia and New Zealand Banking

## Australian Water Association Limited

ABN: 78 096 035 773

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 18 Contingencies

Group (2021: \$220,000) with respect to payroll and a BCCL facility of \$100,000 with Australia and New Zealand Banking Group (2021: \$100,000).

### 19 Related Parties

The Company's main related parties are as follows:

Water Australia Solutions Limited, which has 0 director in common (Carmel Krogh resigned from Australian Water Association Limited during the 2022 financial year).

Key management personnel - refer to Note 16.

### 20 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:

	2022	2021
	\$	\$
Profit for the year	1,100,319	1,632,189
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	80,200	84,720
- depreciation	101,731	101,362
- depreciation of ROU asset	280,808	267,658
- net (gain)/loss on disposal of investments	25,276	(29,118)
- fair value movements on investments	219,384	(225,144)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(141,805)	154,514
- (increase)/decrease in other assets	(112,079)	(22,550)
- increase/(decrease) in trade and other payables	556,962	(90,505)
- increase/(decrease) in provisions	27,757	(57,328)
Cashflows from operations	2,138,553	1,815,798



## **Australian Water Association Limited**

ABN: 78 096 035 773

## **Notes to the Financial Statements For the Year Ended 30 June 2022**

### **21 Events occurring after the end of the reporting period**

The financial report was authorised for issue on 28 October 2022 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.

### **22 Statutory Information**

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

Australian Water Association Limited

Level 6

655 Pacific Highway

St Leonards NSW 2065





**Bentleys Sydney Audit Pty Ltd**

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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 2022, 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 significant 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 2022 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* (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.



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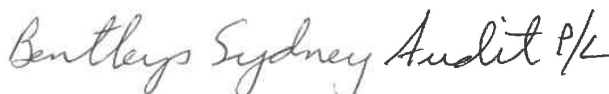
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.



**Kevin Cranfield**  
Director  
Sydney



**Bentleys Sydney Audit Pty Ltd**  
Chartered Accountants

Dated: 28/10/2022





**AUSTRALIAN  
WATER**

ASSOCIATION

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