

Australian Water Association Limited

ABN 78 096 035 773

Financial Statements

For the Year Ended 30 June 2013

Australian Water Association Limited

ABN 78 096 035 773

For the Year Ended 30 June 2013

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Australian Water Association Limited

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Directors' Report

For the Year Ended 30 June 2013

Your directors present their report on Australian Water Association Limited for the financial year ended 30 June 2013.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Ms Lucia Cade

Mr Graham Dooley

Dr John Howard

Dr Helen Stratton

Mr Peter Burgess - Resigned November 2012

Mr Paul Freeman - Term concluded May 2013

Mr Mark Bartley - Term concluded May 2013

Mr Peter Moore

Ms Jodieann Dawe

Mr John Graham - Appointed May 2013

Mr Carmel Krogh - Appointed May 2013

Mr Mark Sullivan - Appointed May 2013

Mr Malcolm Shepherd - Appointed May 2013

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

Principal activities

The Australian Water Association is a membership organisation for all professionals and organisations in the water sector. Its mission is to grow knowledge, understanding and advancement in sustainable water management – its science, practice and policy – through advocacy, collaboration and professional development. This financial year saw the development of a new AWA vision - To be the essential association for people and organisations working together to achieve a sustainable water future.

Strategy, short and long term objectives

The financial year 2012-2013 saw a change in both the Chief Executive and President roles of the association. Mr Jonathan McKeown replaced Mr Tom Mollenkopf as Chief Executive (May 27, 2013), and Mr Graham Dooley replaced Ms Lucia Cade as President, (May 9, 2013).

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Directors' Report

For the Year Ended 30 June 2013

Strategy, short and long term objectives continued

Mr McKeown has quickly grasped the significance of the changes needed to ensure AWA moves with a contracting market to meet the needs of its members, and immediately set about refocusing the organisation. With Board support Mr McKeown plans to increase the benefits AWA offers to corporate members by facilitating solutions to commercial issues, presenting opportunities in the domestic and international markets, and delivering training and other services to assist members (both corporate and individual) to lift their commercial and professional capabilities. AWA will also progress to become the preferred policy forum for members to engage with other stakeholders including the research community and government owned utilities on key issues. As the national industry association for the water sector, AWA needs to strengthen its advocacy abilities to shape and influence outcomes on the key policy issues facing the Australian water sector.

The financial year, 2012-2013, represented the first year of AWA's new Strategic Plan (2012-2015). The five strategic objectives in this plan are:

1. Engaging members with valued services
2. Representing the sector as a trusted voice
3. Extending our reach
4. Building skills and knowledge in the sector
5. Working together

Reflecting on these five objectives, AWA successfully pursued these through the following initiatives and activities:

- Investment in professional development and vocational education was a priority for 2012-2013 and AWA has continued to offer a range of water industry training and professional development programs to assist members to keep up to date with the latest technical skills and scientific knowledge related to their area of expertise, as well as introducing new skills across the water sector. This training has included short courses and master classes, brokering relationships to cover Certificates I to IV in Water Operations, online courses, and continuation of the joint venture with Opus International Consultants to initiate the Water Industry Training Institute.
- The Water Industry Capacity Development (WICD) University Project, a 12 month project funded by the Australian Government, was also completed at the end of the financial year. This project successfully established a sustainable model for engaging the university sector with the water industry in order to enhance water industry and university capacity building.
- AWA continues to strengthen its ability to communicate effectively with members through a number of mediums including AWA E-News, Water Journal, and Branch and Specialist Network Newsletters. Further, conference papers and technical papers are now easy to access through the online library. These coupled with our online bookshop, including leading titles from the IWA collection, ensure that members are kept up to date with the latest knowledge and innovations in the sector.
- Policy and advocacy activities included the release of position papers on water efficiency and biosolids. A greater emphasis will be placed on policy in the new financial year through the engagement of members and industry to ensure that AWA take a strong position on issues that are of concern to the sector.
- AWA organised and produced a large number of events throughout the financial year, from networking events through to large national conferences. Ozwater continues to be Australia's leading water conference and exhibition and although there was an anticipated reduction in delegates attending, we were pleasantly surprised with the very high number of participants, and both the conference and exhibition were viewed as of exceptional quality.

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Directors' Report

For the Year Ended 30 June 2013

Strategy, short and long term objectives continued

- To ensure that AWA extended its reach into sectors where water issues were of great importance, two specialist networks were developed throughout the year – Water in Mining and Rural Water. These networks assisted in the development of relevant conference program, professional development programs and knowledge transfer through existing communications mechanisms.
- There was a slight contraction in membership numbers for AWA for the 2012-2013 financial year, with a -2% growth rate. This is reflective of large corporate members working with very constrained budgets and the inevitable reduction in contracts for consultants, constructors, suppliers and manufacturers. Although there was a reduction in membership numbers, there was an increase in membership income, with a 6% improvement on last year's actual. There are several factors that contribute to a growth in member revenue:
 - a 10% increase in individual category members;
 - the largest loss of members has been in the discounted member categories;
 - some deferred member income not captured in the previous FY;
 - a small increase in Corporate Platinum membership.
- AWA has continued its investment in waterAUSTRALIA which develops programs and services to facilitate increased sales for companies within the Australian water sector. These activities have included the formation of five industry capability teams, representation at key international water technology events, and forming relationships with key international markets including the USA.

Throughout 2012 – 2013 the water sector continued to contract and this had an impact on AWA operations. While members enjoyed a continued high standard of service, a number of operational key performance indicators fell short of targets. However, the organisation has responded well to these challenges and finished the year in a positive financial position. These internal adjustments have left AWA in a good position considering a generally tight forward outlook for the water sector.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

| | 2013 Actual | 2013 Budget | 2012 Actual | 2012 Budget |
|------------------------------|----------------|----------------|----------------|----------------|
| Membership | | | | |
| Total members | 5,486 | 5,800 | 5,617 | 5,734 |
| Number new members | 854 | 1,000 | 1,102 | 1,000 |
| Retention rate | 82% | 85% | 83% | 85% |
| Growth rate | -2% | 5% | 3% | 5% |
| Financial position | | | | |
| Cash reserves as % of income | 38% | 30% | 37% | 30% |
| Net result vs budget | \$330k | (\$184k) | (\$130k) | (\$117k) |

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Directors' Report

For the Year Ended 30 June 2013

Information on directors

President *(Presidency concluded May 2013)*
Lucia Cade

Qualifications BE (Hons), BEc, MEng Sci, MBA, FAICD, FIEAust

Position Director – Strategy & Development, AECOM
Chair, Western Water (Western Region Water Corporation)

Special Responsibilities Chair, Succession Planning Committee to May 2013
Honours and Awards Committee

President *(Presidency commenced May 2013)*
Graham Dooley

Qualifications BSc , BE (Hons), MPA, FAICD, FIEAust

Position Chairman, Osmoflo Group of companies
Chairman, Water Utilities Australia Pty Ltd
Chairman, Blue Sky Water Partners Pty Ltd
Chairman, Salisbury Water Management Board
Board Member, National Centre of Excellence in Desalination
Australia
Chairman, Water Australia Solutions Ltd (wholly owned by
AWA Ltd)

Special Responsibilities Chair, Succession Planning Committee since May 2013

Mark Bartley

(Term ended May 2013)

Qualifications BA(Geog) Monash 1977, MUP Melbourne 1981, LLB(Hons)
Melbourne 1993,
LIV Accredited Specialist in Environment Planning & Local
Government

Position Partner HWL Ebsworth Lawyers

Special Responsibilities Chair, Governance and Audit Committee to May 2013

Dr John Howard

Qualifications BSc (Hons), PhD (Liverpool), FAICD

Position General Manager, Strategy & Planning, SA Water Corporation

Special Responsibilities Young Water Professional Liaison Committee
Succession Planning Committee

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Directors' Report

For the Year Ended 30 June 2013

Information on directors continued

Dr Helen Stratton

| | |
|--------------------------|--|
| Qualifications | BAppSci (Hons), PhD (Microbiology) |
| Position | Microbiologist, Senior Lecturer, Griffith University |
| Special Responsibilities | Honours and Awards Committee IWA Australian Branch Committee Young Water Professionals Liaison |

Paul Freeman

(Term ended May 2013)

| | |
|--------------------------|---|
| Qualifications | BE (Mech), GAICD |
| Position | General Manager – Liveable City Solutions, Sydney Water Corporation |
| Special Responsibilities | Governance and Audit Committee |

Jodieann Dawe

| | |
|--------------------------|---|
| Qualifications | BSc(Hons), MAppSc, MBA, GradDipCorpLaw, GAICD, AFAIM, MRACI, CChem |
| Position | Chief Executive & Executive Director, WQRA |
| Special Responsibilities | Succession Planning Committee Young Water Professionals Liaison |

Peter Burgess

(Resigned Nov 2012)

| | |
|----------------|---|
| Qualifications | BScEng (Civil), MEngSc (Public Health), Cert IV Workplace Training & Assessment, MIE Aust, CPEng |
| Position | Senior Technical Analyst IPART |

Peter Moore

| | |
|--------------------------|---|
| Qualifications | Assoc Civil Eng, GradDip Mgmt, CP Eng, FIE Aust, GAICD, MAWA |
| Position | Chief Operating Officer, Water Corporation |
| Special Responsibilities | Chair, Governance and Audit Committee since May 2013 |

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Directors' Report

For the Year Ended 30 June 2013

Information on directors continued

Carmel Krogh

(Commenced May 2013)

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

Position Director Shoalhaven Water, Shoalhaven City Council
Director Sydney Catchment Authority

Mark Sullivan AO

(Commenced May 2013)

Qualifications BEc, FCPA, FAIM, MAICD

Position Managing Director, Actew Water

Mal Shepherd

(Commenced May 2013)

Qualifications Civil Engineering Certificate, AICD

Position General Manager Water & Enviro, John Holland Group

John Graham

(Commenced May 2013)

Qualifications Dip CE & EWS

Position Director, John Graham Consulting Services

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Directors' Report

For the Year Ended 30 June 2013

Meetings of directors

During the financial year, 22 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 | | Honours and Awards 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 |
| Ms Lucia Cade | 7 | 7 | - | - | 9 | 9 | 3 | 3 |
| Mr Mark Bartley | 7 | 7 | 3 | 3 | - | - | - | - |
| Dr John Howard | 7 | 5 | - | - | 9 | 4 | - | - |
| Mr Graham Dooley | 7 | 7 | - | - | 9 | 8 | 3 | 3 |
| Dr Helen Stratton | 7 | 6 | - | - | - | - | 3 | 3 |
| Mr Peter Burgess | 2 | 2 | - | - | - | - | - | - |
| Mr Paul Freeman | 7 | 5 | 3 | 3 | - | - | - | - |
| Mr Peter Moore | 7 | 7 | 3 | 3 | - | - | - | - |
| Ms Jodieann Dawe | 7 | 6 | - | - | 9 | 6 | - | - |
| Mr Mal Shepherd | 1 | - | - | - | - | - | - | - |
| Ms Carmel Krogh | 1 | 1 | - | - | - | - | - | - |
| Mr Mark Sullivan | 1 | 1 | - | - | - | - | - | - |
| Mr John Graham | 1 | 1 | - | - | - | - | - | - |

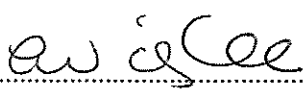
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2013, the total amount that members of the company are liable to contribute if the company wound up is \$109,720 (2012: \$112,340).

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 8 of the financial report.

This director's report is signed in accordance with a resolution of the Board of Directors:

Director: 
Graham Dooley

Director: 
Lucia Cade

Dated this 11 day of September 2013

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

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 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Moore Stephens Sydney West
Chartered Accountants



S B Thompson
Partner

Dated: 10/9/13

Australian Water Association Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2013

| | 2013 | 2012 |
|---|-----------------------|-------------------------|
| Note | \$ | \$ |
| Sales revenue | 8,962 | 10,164 |
| Cost of sales | <u>(6,681)</u> | <u>(14,540)</u> |
| Gross profit | 2,281 | (4,376) |
| Other income | 2 8,100,193 | 8,450,474 |
| Marketing costs | (2,255,228) | (2,877,440) |
| Occupancy costs | 3 (325,846) | (333,161) |
| Administrative costs | (1,085,616) | (1,151,504) |
| Employment expense | (3,847,871) | (3,927,016) |
| IT expenses | (70,589) | (88,193) |
| Depreciation expense | 3 (183,115) | (159,416) |
| Net loss on disposal of property, plant and equipment | 3 (4,678) | (16,122) |
| Net profit (loss) on disposal of financial assets | 3 505 | (23,503) |
| Profit (loss) before income tax | 330,036 | (130,257) |
| Income tax expense | - | - |
| Profit (loss) for the year | <u>330,036</u> | <u>(130,257)</u> |
| Other comprehensive income | | |
| Items that will not be reclassified subsequently to profit or loss | | |
| Revaluation changes for property, plant and equipment | - | - |
| | - | - |
| Items that will be reclassified to profit or loss when specific conditions are met | | |
| Net fair value movements for available-for-sale financial assets | 8 109,392 | (4,399) |
| Other comprehensive income for the year | <u>109,392</u> | <u>(4,399)</u> |
| Total comprehensive income for the year | <u>439,428</u> | <u>(134,656)</u> |

The accompanying notes form part of these financial statements

Australian Water Association Limited

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Statement of Financial Position As At 30 June 2013

| | Note | 2013 \$ | 2012 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 1,135,522 | 3,153,990 |
| Trade and other receivables | 5 | 1,118,099 | 866,945 |
| Inventories | 6 | 1,000 | 5,607 |
| Other assets | 7 | 191,104 | 170,471 |
| TOTAL CURRENT ASSETS | | 2,445,725 | 4,197,013 |
| NON-CURRENT ASSETS | | | |
| Financial assets | 8 | 2,689,138 | 619,146 |
| Property, plant and equipment | 9 | 729,229 | 834,973 |
| TOTAL NON-CURRENT ASSETS | | 3,418,367 | 1,454,119 |
| TOTAL ASSETS | | 5,864,092 | 5,651,132 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 1,751,420 | 1,959,150 |
| Provision | 11 | 211,237 | 218,088 |
| TOTAL CURRENT LIABILITIES | | 1,962,657 | 2,177,238 |
| NON-CURRENT LIABILITIES | | | |
| Provision | 11 | 25,953 | 37,840 |
| TOTAL NON-CURRENT LIABILITIES | | 25,953 | 37,840 |
| TOTAL LIABILITIES | | 1,988,610 | 2,215,078 |
| NET ASSETS | | 3,875,482 | 3,436,054 |
| EQUITY | | | |
| Reserves | | (21,486) | (130,878) |
| Retained earnings | | 3,896,968 | 3,566,932 |
| TOTAL EQUITY | | 3,875,482 | 3,436,054 |

The accompanying notes form part of these financial statements

Australian Water Association Limited

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Statement of Changes in Equity For the Year Ended 30 June 2013

2013

| | Retained Earnings | Financial Assets Reserve | Total |
|--|----------------------|--------------------------------|------------------|
| Note | \$ | \$ | \$ |
| Balance at 1 July 2012 | 3,566,932 | (130,878) | 3,436,054 |
| Comprehensive income | | | |
| Profit for the year | 330,036 | - | 330,036 |
| Other comprehensive income for the year: | | | |
| Net fair value gains on available-for-sale financial assets | 8(a) - | 109,392 | 109,392 |
| Total other comprehensive income | - | 109,392 | 109,392 |
| Total comprehensive income attributable to members of the entity for the year | 330,036 | 109,392 | 439,428 |
| Balance at 30 June 2013 | 3,896,968 | (21,486) | 3,875,482 |

2012

| | Retained Earnings | Financial Assets Reserve | Total |
|--|----------------------|--------------------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2011 | 3,697,189 | (126,479) | 3,570,710 |
| Comprehensive income | | | |
| Loss for the year | (130,257) | - | (130,257) |
| Other comprehensive income for the year: | | | |
| Net fair value losses on available-for-sale financial assets | 8(a) - | (4,399) | (4,399) |
| Total other comprehensive income | - | (4,399) | (4,399) |
| Total comprehensive income attributable to members of the entity for the year | (130,257) | (4,399) | (134,656) |
| Balance at 30 June 2012 | 3,566,932 | (130,878) | 3,436,054 |

For a description of each reserve, refer to Note 17

The accompanying notes form part of these financial statements

Australian Water Association Limited

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Statement of Cash Flows

For the Year Ended 30 June 2013

| | 2013 | 2012 |
|---|--------------------|------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from ordinary activities | 7,997,786 | 8,491,434 |
| Payments to suppliers and employees | (8,124,708) | (8,702,495) |
| Interest, dividends and distribution received | 150,195 | 199,672 |
| Net cash (used in) generated from operating activities | <u>23,273</u> | <u>(11,389)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of plant and equipment | - | 364 |
| Payment for property, plant and equipment | (81,646) | (297,796) |
| Proceeds from investments | 27,382 | 67,041 |
| Payment for investments | (1,987,477) | (93,515) |
| Net cash used in investing activities | <u>(2,041,741)</u> | <u>(323,906)</u> |
| Net increase (decrease) in cash and cash equivalents held | (2,018,468) | (335,295) |
| Cash and cash equivalents at beginning of year | 3,153,990 | 3,489,285 |
| Cash and cash equivalents at end of financial year | 4 <u>1,135,522</u> | <u>3,153,990</u> |

The accompanying notes form part of these financial statements

Australian Water Association Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2013

1 Summary of Significant Accounting Policies

Basis of preparation

Australian Water Association Limited has elected to early adopt the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. Accordingly, the entity has also adopted AASB 2011-2: *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements* and AASB 2012-7: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* in respect of AASB 2010-6: *Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets* and AASB 2011-9: *Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on *11th September 2013* by the directors of the company.

Accounting Policies

(a) Revenue

Revenue from the sale of goods to members is recognised upon the delivery of goods to customers and members.

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity 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.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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Notes to the Financial Statements
For the Year Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(a) Revenue continued

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers and members.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Inventories

Inventories are measured at the lower of cost and current replacement cost.

(c) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|----------------------------------|--------------------------|
| Furniture, Fixtures and Fittings | 1.5 - 25% |
| Office Equipment | 9 - 40% |
| Computer Software | 9 - 40% |
| Leasehold improvements | 2.5% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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Notes to the Financial Statements
For the Year Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(c) Property, plant and equipment continued

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss in the period in which they arise..

(d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are recognised on a straight-line basis over the lease term.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between the initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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Notes to the Financial Statements

For the Year Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

Initial recognition and measurement continued

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale financial assets*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements

For the Year Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(e) Financial instruments continued

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements

For the Year Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(f) Impairment of Assets

At the end of each reporting period, the company assesses whether there is an indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard).

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Interests in joint ventures

The company's share of the assets, liabilities, revenue and expenses of jointly controlled entity has been included in the appropriate line items of the financial statements. Details of Australian Water Association Limited's interests are shown in Note 15.

(h) 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 year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year 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 not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(j) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements

For the Year Ended 30 June 2013

1 Summary of Significant Accounting Policies continued

(k) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(l) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(o) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key judgments

Available-for-sale investments

The company maintains a portfolio of securities with a carrying value of \$ 732,394 at the end of the reporting period. Certain individual investments have declined in value by up to 55%. The directors do not believe this decline constitutes a significant or prolonged decline below cost at this stage and as some of the individual investments have increased in value from the prior year which is evidence in the increase in reserve and hence no impairment has been recognised.

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2013

2 Revenue and Other Income

| | 2013 | 2012 |
|---|------------------|------------------|
| | \$ | \$ |
| Operating activities | | |
| Advertising | 684,974 | 909,519 |
| Delegates | 1,972,851 | 2,100,457 |
| Trade displays and exhibition income | 1,193,217 | 1,601,205 |
| Government Grants | 136,673 | 318,914 |
| Branch Services Income | 25,000 | 25,000 |
| Other income | 938,392 | 220,741 |
| PCO Fees | - | 15,000 |
| Mkting/promotion event income | 909 | - |
| Publishing sales | 1,181 | 23 |
| Sponsorship income | 1,135,274 | 1,198,691 |
| Subscriptions | 1,795,074 | 1,753,939 |
| Water Directory Income | 66,453 | 107,313 |
| Total income from operating activities | 7,949,998 | 8,250,802 |
| Interest and investment revenue from: | | |
| - Financial Assets | 28,648 | 28,566 |
| - Cash and Cash Equivalents | 121,547 | 171,106 |
| Total interest and investment revenue | 150,195 | 199,672 |
| Total revenue and other income | 8,100,193 | 8,450,474 |

3 Loss for the Year

(a) Expenses

| | | |
|--|---|----------------|
| Depreciation and Amortisation | | |
| - Office Equipment | 9 | 41,453 |
| - Office Furniture & Fittings | 9 | 9,458 |
| - Leasehold Improvements | 9 | 5,857 |
| - Software | 9 | 126,347 |
| Total Depreciation and Amortisation | | 183,115 |
| Rental expense on operating leases | | 325,846 |
| | | 159,416 |

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2013

3 Loss for the Year continued

(b) Significant Revenue and Expenses

| | 2013 | 2012 |
|--|---------------------|------------------|
| | \$ | \$ |
| Net gain/(loss) on disposal of non-current assets | | |
| Plant and equipment | | |
| Proceeds on disposal | - | 364 |
| Disposals at cost | (4,678) | (16,486) |
| Net loss on disposals as at 30 June | <u>(4,678)</u> | <u>(16,122)</u> |
| Investment: | | |
| Proceeds on disposal | 20,200 | 67,041 |
| Disposals at cost | (19,695) | (90,544) |
| Net profit (loss) on disposals as at 30 June | <u>505</u> | <u>(23,503)</u> |
| 4 Cash and Cash Equivalents | | |
| Cash at bank | 902,938 | 2,951,285 |
| Cash on hand | 100 | 300 |
| Short-term bank deposits | 232,484 | 202,405 |
| | <u>1,135,522</u> | <u>3,153,990</u> |
| 5 Trade and Other Receivables | | |
| CURRENT | | |
| Trade receivables | 734,754 | 656,924 |
| GST - net | 15,934 | 52,977 |
| Deposits | 353,969 | 102,044 |
| Internal debtors | 4,642 | 55,000 |
| Other receivables | 8,800 | - |
| Total current trade and other receivables | 16 <u>1,118,099</u> | <u>866,945</u> |
| 6 Inventories | | |
| CURRENT | | |
| At cost: | | |
| Inventories | <u>1,000</u> | <u>5,607</u> |
| 7 Other Assets | | |
| CURRENT | | |
| Prepayments | <u>191,104</u> | <u>170,471</u> |

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2013

8 Other Financial Assets

| | Note | 2013 \$ | 2012 \$ |
|-------------------------------------|------|------------------|----------------|
| NON-CURRENT | | | |
| Available for sale financial assets | 8(a) | 732,394 | 619,146 |
| Held-to-maturity financial assets | 8(b) | 1,956,744 | - |
| | | <u>2,689,138</u> | <u>619,146</u> |

(a) Available-for-sale financial assets

Shares and units at fair value:

| | | | |
|--|----|----------------|----------------|
| Balance at beginning of the year | | 619,146 | 620,574 |
| Purchases | | 30,733 | 93,515 |
| Disposals | | (26,877) | (90,544) |
| Fair value measurements gains/(losses) | | 109,392 | (4,399) |
| Balance at the end of the year | 16 | <u>732,394</u> | <u>619,146</u> |

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

(b) Held-to-maturity investments

| | | | |
|-------------------------------|----|------------------|----------|
| Held-to-maturity term deposit | 16 | <u>1,956,744</u> | <u>-</u> |
|-------------------------------|----|------------------|----------|

9 Property, Plant and Equipment

Plant and equipment

Furniture, fixture and fittings:

| | | | |
|--------------------------|--|---------------|---------------|
| At cost | | 109,992 | 121,318 |
| Accumulated depreciation | | (48,177) | (50,045) |
| | | <u>61,815</u> | <u>71,273</u> |

Office equipment:

| | | | |
|--------------------------|--|----------------|----------------|
| At cost | | 272,535 | 441,053 |
| Accumulated depreciation | | (138,413) | (274,068) |
| | | <u>134,122</u> | <u>166,985</u> |

Computer software:

| | | | |
|--------------------------|--|----------------|----------------|
| At cost | | 756,666 | 978,000 |
| Accumulated depreciation | | (343,482) | (507,250) |
| | | <u>413,184</u> | <u>470,750</u> |

Leasehold Improvements:

| | | | |
|--------------------------|--|----------------|----------------|
| At cost | | 146,412 | 146,412 |
| Accumulated depreciation | | (26,304) | (20,447) |
| | | <u>120,108</u> | <u>125,965</u> |

| | | | |
|---------------------------|--|----------------|----------------|
| Total plant and equipment | | <u>729,229</u> | <u>834,973</u> |
|---------------------------|--|----------------|----------------|

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements
For the Year Ended 30 June 2013

9 Property, Plant and Equipment continued

Movements in Carrying Amounts

Movements 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 | Computer Software | Leasehold Improvements | Total |
|----------------------------------|--|---------------------|----------------------|---------------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2013 | | | | | |
| Balance at the beginning of year | 71,273 | 166,985 | 470,750 | 125,965 | 834,973 |
| Additions | - | 12,866 | 68,781 | - | 81,647 |
| Disposals | - | (4,276) | - | - | (4,276) |
| Depreciation expense | (9,458) | (41,453) | (126,347) | (5,857) | (183,115) |
| Balance at 30 June 2013 | 61,815 | 134,122 | 413,184 | 120,108 | 729,229 |

10 Trade and Other Payables

| | Note | 2013 \$ | 2012 \$ |
|--------------------------------------|------|------------------|------------------|
| CURRENT | | | |
| Trade payables | | 61,312 | 273,574 |
| Sundry payables and accrued expenses | | 145,003 | 175,665 |
| External events liability | | - | 13,320 |
| Deferred membership income | | 740,435 | 661,604 |
| Other deferred income | | 804,670 | 834,987 |
| | | 1,751,420 | 1,959,150 |

(a) Financial liabilities at amortised cost classified as trade and other payables

| | | | |
|---|----|------------------|------------------|
| Trade and other payables: | | | |
| - total current | | 1,751,420 | 1,959,150 |
| - total non-current | | - | - |
| | | 1,751,420 | 1,959,150 |
| Less deferred income | | (1,545,105) | (1,496,591) |
| Financial liabilities as trade and other payables | 16 | 206,315 | 462,559 |

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2013

11 Provisions

| | 2013 | 2012 |
|---|--------------------------|----------------|
| | \$ | \$ |
| CURRENT | | |
| Provision for employee benefits: annual leave | 168,044 | 189,802 |
| Provision for employee benefits: long service leave | 43,193 | 28,286 |
| | <u>211,237</u> | <u>218,088</u> |
| NON-CURRENT | | |
| Provision for employee benefits: long service leave | 25,953 | 37,840 |
| | <u>237,191</u> | <u>255,928</u> |
| | Employee Benefits | Total |
| | \$ | \$ |
| Opening balance at 1 July 2012 | 255,928 | 255,928 |
| Additional provisions raised during the year | 3,020 | 3,020 |
| Amounts used | (21,757) | (21,757) |
| Balance at 30 June 2013 | <u>237,191</u> | <u>237,191</u> |

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(h).

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements For the Year Ended 30 June 2013

12 Leasing Commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

| | 2013 | 2012 |
|--|------------------|----------------|
| | \$ | \$ |
| Payable - minimum lease payments: | | |
| - not later than 12 months | 244,503 | 261,486 |
| - later than 12 months but not later than five years | 1,024,840 | - |
| | <u>1,269,343</u> | <u>261,486</u> |

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with three and five year terms. Increases in lease commitments may occur in line with the consumer price index (CPI). An option exists to renew the lease at the end of the three and five year term for an additional term of three and five years.

13 Contingent Liabilities

(a) Amounts guaranteed, relationship and nature of guarantee

The company has issued a letter of set off in the amount of \$202,834 and \$8,250 with respect to an agreement for leased premises at Level 6, 655 Pacific Highway St Leonards and 48 Montague Road South Brisbane Queensland over one of its term deposit.

(b) Unused bank facility

The company has an unused autopay facility in the amount of \$110,000 with Commonwealth Bank of Australia with respect to payroll.

14 Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to the key management personnel of the company during the year are as follows:

| | 2013 | 2012 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Key management personnel compensation | <u>645,868</u> | <u>613,464</u> |

Australian Water Association Limited

ABN 78 096 035 773

Notes to the Financial Statements

For the Year Ended 30 June 2013

15 Joint Venture Operations

(a) Interest in joint ventures accounted for using proportionate consolidation

The interest in the AWA Opus Water Industry Training Institute (WITI) is accounted for in the financial statements using proportionate consolidation.

16 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, leases and investments in managed funds.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | Note | 2013 \$ | 2012 \$ |
|--|----------|------------------|------------------|
| Financial assets | | | |
| Cash and cash equivalents | 4 | 1,135,522 | 3,153,990 |
| Held-to-maturity investments | 8 | 1,956,744 | - |
| Trade and other receivables | 5 | 1,118,099 | 866,945 |
| Available-for-sale financial assets | 8(a),(i) | 732,394 | 619,146 |
| Total financial assets | | <u>4,942,759</u> | <u>4,640,081</u> |
| Financial Liabilities | | | |
| Financial liabilities at amortised cost: | | | |
| Trade and other payables | 10(a) | 206,315 | 462,559 |
| Total financial liabilities | | <u>206,315</u> | <u>462,559</u> |

Net Fair Values

- (i) For listed available-for-sale financial assets, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices)

17 Reserves

Financial Assets Reserve

The financial assets reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

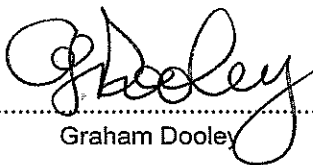
Australian Water Association Limited


ABN 78 096 035 773

Directors' Declaration

In accordance with the resolution of the directors of Australian Water Association Limited, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 10 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director 
Graham Dooley

Director 
Lucia Cade

Dated this 11 day of September 2013

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN WATER ASSOCIATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Australian Water Association Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Water Association Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

The financial report of Australian Water Association Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the period ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*



Moore Stephens Sydney West
Chartered Accountants



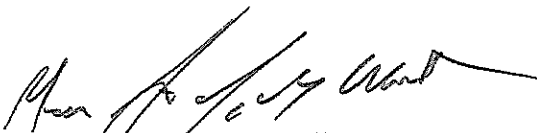
S B Thompson
Partner

Parramatta

Dated this 17th day of September 2013

**DISCLAIMER TO THE MEMBERS OF AUSTRALIAN WATER ASSOCIATION LIMITED
FOR THE YEAR ENDED 30 JUNE 2013**

The additional financial data presented on the following pages is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company of the year ended 30 June 2013. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Water Association Limited) in respect of such data, including any errors or omissions therein however caused.



Moore Stephens Sydney West
Chartered Accountants



S B Thompson
Partner

Dated this ^{17th} day of *September* 2013
Parramatta

Australian Water Association Limited

ABN 78 096 035 773

For the Year Ended 30 June 2013

Profit and Loss Account

| | 2013 | 2012 |
|---|------------------|------------------|
| | \$ | \$ |
| Sales | | |
| Books sales | 8,962 | 10,164 |
| Total sales | 8,962 | 10,164 |
| Cost of sales | (6,681) | (14,540) |
| Gross Profit | 2,281 | (4,376) |
| Other income | 8,100,193 | 8,450,474 |
| Less: Expenses | | |
| Audit/Accounting fees | 32,065 | 37,432 |
| Administration and management fees | 60,131 | 96,133 |
| Advertising | 65,175 | 71,258 |
| Bank charges | 51,226 | 55,780 |
| Donations | 1,000 | 500 |
| Filing fees | 460 | 234 |
| Gifts | 7,759 | 9,457 |
| Insurance | 30,974 | 31,804 |
| Lease rentals on operating lease | 15,859 | - |
| Legal expenses | 21,584 | 3,760 |
| Meeting expenses | 22,576 | 32,129 |
| PCO AWA staff costs | - | 15,000 |
| Postage, freight and couriers | 130,572 | 120,437 |
| Printing and stationery | 269,294 | 332,907 |
| Member and events expenses | 2,187,772 | 2,628,462 |
| Rental expense on operating leases | 325,846 | 333,161 |
| Repairs and maintenance | 6,717 | 5,876 |
| Subscriptions | 22,477 | 17,171 |
| Discount publishing | 2,282 | 177,720 |
| Sundries | 12,027 | 15,707 |
| Telephone and fax | 58,652 | 66,352 |
| Travel | 342,242 | 310,825 |
| Employment and contract expense | 3,847,871 | 3,927,016 |
| IT expenses | 70,589 | 88,193 |
| Depreciation expense | 183,115 | 159,416 |
| Net loss (gain) on disposal of financial assets | (505) | 23,503 |
| Net loss on disposal of property, plant and equipment | 4,678 | 16,122 |
| | <u>7,772,438</u> | <u>8,576,355</u> |
| Profit (loss) before income tax | <u>330,036</u> | <u>(130,257)</u> |