



**AUSTRALIAN
WATER**

ASSOCIATION

Australian Water Association Limited

Annual Report for the Year Ended 30 June 2021

ABN 78 096 035 773

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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 2021.

Information about the Directors

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

Ms Carmel Krogh OAM

Ms Louise Dudley

Mr Francois Gouws

Prof Jurg Keller

Dr Jeremy Lucas

Mr Jim Athanopoulos

Mr Peter Dennis

Mr Daniel Sullivan

Dr Sandra Ridge (Hall)

Mr Kevin Werksman

Ms Shelley Shepherd

Hon. Karlene Maywald

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



Ms Carmel Krogh OAM

President

Immediate Past President (from 7 May 2021)

(Presidency May 2019 – May 2021)

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 Committee

International Programs Committee



Ms Louise Dudley

President - Elect

President (from 7 May 2021)

(Presidency 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



Mr Francois Gouws

Immediate Past President (to 7 May 2021)

(Director until 7 May 2021)

Qualifications

MBA, BSc (Hons), BCom, NHD Mech Eng, FAICD, AFIEAust, EngExec, NER, PMAWA

Position

Managing Director, TRILITY Group Pty Ltd

Chairman and Director, Hydramet Pty Ltd

Chairman and Director, Macarthur Water Pty Ltd

Chairman and Director, Yan Yean Water Pty Ltd

Chairman, AdelaideAqua Pty Ltd

Director, Helena Water Group of Companies

Chair, Water Taskforce, Infrastructure Partnerships Australia

Director, WaterAid Australia

Director, WaterAustralia Solutions

Special Responsibilities

International Programs Committee

Succession Planning Committee



Prof Jurg Keller

(Director until 7 May 2021)

Qualifications

BE Chemical Engineering, PhD, FTSE, FIWA, PMAWA

Position

Emeritus Professor, Advanced Water Management Centre, The University of Queensland

Special Responsibilities

Digital Strategy Committee

Networks & Collaboration Committee

Succession Planning Committee



Dr Jeremy Lucas

(Director until 7 May 2021)

Qualifications

BSc (Hons), PhD, MEng, GAICD, PMAWA

Position

Manager Risk, SA Water

Special Responsibilities

Honours & Awards Committee
Governance & Audit Committee



Mr Jim Athanasopoulos

(Director)

Qualifications

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

Position

Vice President, Product Management & Strategy Emerging Markets, Xylem

Special Responsibilities

Honours & Awards Committee
Digital Strategy Committee



Mr Peter Dennis

(Director)

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 Committee
Governance & Audit Committee



Mr Daniel Sullivan

(Director)

Qualifications

BCom, MBA, GAICD

Position

CEO, iota Services

Special Responsibilities

International Programs Committee
Digital Strategy 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

Honours & Awards Committee

Networks & Collaboration Committee



Mr Kevin Werksman

(Director from 7 May 2021)

Qualifications

BE Chemical Engineering, BComm, GradCertEnvMgmt. Harvard Leadership Program

Position

Global Water Leader, Aurecon

Special Responsibilities

Governance & Audit Committee



Ms Shelley Shepherd

(Director from 7 May 2021)

Qualifications

BSc Zoology, MBA, GAICD

Position

Managing Director, Urbaqua Ltd

Committee Member, Stormwater WA

Program Manager, New WATER Ways Inc



Hon. Karlene Maywald

(Director from 7 May 2021)

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

President's Message



This year has been defined by transformation and continuing challenges due to the ongoing impacts from the COVID-19 pandemic. As an Association, we have sought to respond and look for the opportunity in those challenges proactively. I am pleased to report that the Association has had a successful year in its operation, membership and finances.

Financial Results and Highlights

The Association achieved a surplus of \$1.6M which includes \$0.8M Government JobKeeper. This surplus provided a welcomed improvement in Cash flow. The positive outcome is largely attributed to Ozwater'21, held in May as a face-to-face conference and exhibition in Adelaide. This surplus recovers the Association's \$1M deficit from FY2019-20. We were extremely fortunate to hold a very successful Ozwater'21 as in the weeks that followed, we saw increasing lockdowns. Whilst the result is pleasing, we are acutely aware of the risk that COVID-19 poses to the financial performance of the Association. The Boards' focus has been not only on risk through managing our costs and cash flow tightly but on the opportunities, such as providing a greater digital offering for our members.

Delivering Strategy'22

Over the past year, we continued to progress delivery of our Strategy'22 through our three goals: › To Strengthen Partnerships › Extend our Reach, and › Promote Diversity and Inclusion.

In line with our strategy we have strengthened our partnerships including signing a new agreement with the Water Service Association of Australian. This ensures that both organisations make the most effective use of resources and outline the areas we will collaborate.

With the restrictions on travel our International Program has successfully transitioned to digital delivery. This is also an important revenue stream for the Association that we will build to diversify our risk and create greater value for our members while delivering tangible outcomes that deliver on our purpose – to inspire and drive a sustainable water future.

Underpinning all our goals is our digital transformation which has been accelerated this year creating different digital content and products to engage with our members and enable our members to connect virtually. This has enabled a greater connection across the country including our members in regional areas.

With the acceleration of digital transformation, it made sense to seize the opportunity and think about the type of organisation we want to be and the capabilities we need to build for the future. As a result, this year, we introduced a new Operating Model that will set the Association up for the future. Our new Operating Model will allow for the successful implementation of our member centric digital transformation.

This year we undertook member engagement on the Productivity Commission Review of the National Water Initiative. Several workshops were held to gain input from our members into the submission to the Review.

Over the next year, the Board will oversee the final implementation of Strategy'22 and will commence the development of our next strategy in consultation with our members and particularly through the Strategic Advisory Council.

Diverse and experienced Board of Directors

In May '21, Carmel Krogh concluded her term as President and Chair of our Association. At Ozwater'21, we formally thanked Carmel for her inspirational leadership and outstanding work as President and Chair of our Association. It was also fitting that at Ozwater'21, we thanked and recognised the significant contribution made by each of our outgoing directors Francios Gouws (Past President), Jeremy Lucas and Dr Jurg Keller.

The Board elections were also held in October 2020. Congratulations to our returning Directors Dr Sandra Hall, Daniel Sullivan, Jim Athanas and Peter Dennis. In May 2021 we welcomed our new directors Karlene Maywald, Shelley Shepherd and Kevin Werksman to the Board and we look forward to their contributions.

It is certainly a strength to have such a diverse Board in terms of gender, experience, skills and expertise, and geography.

Our 60th Year and Ozwater'22

While the challenges with COVID-19 are continuing to affect our ability to hold face to face events in some states, there is optimism around the take up of the vaccine. We hope this will allow us to hold a face-to-face Ozwater'22 in Brisbane possibly with increased international participation. Ozwater'22 will certainly be a special event as we celebrate the 60th year of the Association and explore our water journey together.

It's an absolute privilege to be President of the Association as we celebrate our 60th year in 2022. I acknowledge the foresight and tenacity of the founding members of the Association: Dr M. J. Flynn, Mr H.J. Hodgson, Mr J.A. McIntosh and C.D (Guys) Parker and all that have been part of the journey, we should all be proud of our great Association.

Acknowledgments

I extend my sincere thanks to my Board colleagues, Corinne Cheeseman our CEO, the Senior Leadership Team, every AWA team member, members of Strategic Advisory Council, our Branch Presidents and Committee members, Young Water Professionals, Specialist Network Chairs and Committees, and the many volunteers for their respective contributions this year. Through the uncertainty and disruption over the last year you all have continued to allow all our members *to connect, share and inspire to drive a sustainable water future.*

Louise Dudley

President

CEO's Message



Financial Operating Results and Highlights

This year's excellent financial results allowed us to recover from the previous year, which COVID-19 significantly impacted. We continued prudent financial management and focused on virtual member engagement, which complemented face-to-face events, and our members turned out in high numbers at every opportunity. Government job support enabled us to retain our staff and continue to deliver value to our members during continued uncertainty.

Our financial results exceeded our expectations, reopening following the COVID-19 lockdowns and a COVID-free window where all state borders were open, allowing us to gather over 2,500 people at our Ozwater'21 Conference and Exhibition in Adelaide. While we had to cancel some State-based events, all of our major dinners and conferences could proceed in some form, and we exceeded our financial target for our total Branch program. Member engagement through new digital products like webinars and hybrid (face to face/digital) events, pivoting our International Program to digital delivery and focusing on our members' needs during the challenging time also contributed to our success.

As a result, our financial performance improved significantly compared to 2019/20 FY with our operating surplus of \$1,632K up by 261%, our total revenue \$7,638K up by 44% and our total expenses \$6,006K down by 5%. This strengthened our balance sheet (\$5,385K), providing the opportunity to invest in our CX Digital Transformation and deliver on our strategic goals and projects as we move into the final year of Strategy'22.

Our People

A focus on the health, safety and wellbeing of our people (staff, volunteers and members) was a top priority for the year. We developed COVIDSafe Plans for Meetings and Events and connected more frequently using virtual meetings and digital collaboration tools.

Our team has contributed their ideas on improving our safety, health and wellbeing. We have reconsidered resourcing and the impacts of increased workloads due to changing COVID-19 government requirements around the country.

We also invested in the development of our people, through training, new project opportunities and all staff workshops. As part of our new operating model, some staff moved into new roles, including some promotions, which enabled them to develop new skills and career paths. We also brought new skills into the team by introducing new roles in the areas of CX and digital and filling these by recruitment.

Working closely with our committees, we have rolled out our **One AWA Culture**, which aligns with our values – **Passionate**, **Collaborative** and **Inclusive**. Our Branch Presidents and Specialist Network Chairs have worked together taking advantage of virtual collaboration tools to share ideas and develop existing and new programs and member value. This removed geographical boundaries and enabled greater participation of those based in regional areas.

We have made some changes to our Specialist Networks following a Board review that engaged Specialist Network Committees. We now have 11 Specialist Network Committees resulting from this review and member feedback with some slight changes. We held elections for vacant roles and provide a point of contact for each Specialist Network through our Member Engagement Managers.

COVID-19 Response and Impact

We learnt a lot through the impacts of COVID-19 and have successfully maintained digital engagement, even with the return of face-to-face events. It is clear that our members enjoy connecting in person however the Association has also developed the capability to deliver high quality virtual events and engagement opportunities which provide have been received well by our members.

We are confident in moving forward with new digital offerings that complement our current member benefits. There is more appetite and demand for this than ever before. This opens the opportunity to engage more easily in regional, rural and remote communities and become more relevant to a broader membership.

Looking Forward

Our CX Digital Transformation will enable us to take many opportunities presented through the COVID-19 Pandemic. Our new operating model and technology platforms, such as our CX Platform, will enable the Association to respond to the needs and preferences of our members and make it easier for our members to engage with our content, networks and events in a more personalised way. We will take on feedback more efficiently and adjust our offerings to meet demand more quickly.

Our focus is on member growth, as this makes us more relevant and will enable us to achieve greater diversity and inclusion. We are also looking for ways to diversify our revenue and reduce our risk and reliance on one significant event and deliver greater value to our members.

In the year ahead, we will deliver our Strategy'22 Roadmap which includes several key and digital initiatives to achieve our goals set in our current strategy. We will focus on developing a new member-led strategy through engagement and collaboration with our Strategic Advisory Council (SAC) which will be launch at Ozwater'22.

With the vaccination rollout going well, there is optimism as we look forward to Ozwater'22 in Brisbane. This will also be an important opportunity to celebrate the Association's history and future in our **60th Year celebrations**.

Corinne Cheeseman
CEO

Our Purpose

Inspire and drive a sustainable water future.

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



information and
knowledge



members with industry
and stakeholders



positive
change

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

Strategy'22

A strategic plan for the Australian Water Association 2019–2022.

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

Consolidating 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 promotion of 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, Branch, and Specialists 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.

Financial Performance

We've had a successful year and achieved a surplus of \$1.6M, including \$0.8M from Government payments such as JobKeeper and grants.

The positive outcome is primarily contributed to by Ozwater'21, which was held as a face-to-face conference and exhibition in Adelaide. A new marketing and engagement approach, plus an appetite by delegates to attend a live event, following the move to online in 2020 due to COVID-19, meant delegate numbers exceeded our expectations.

This surplus recovers the Association's \$1M deficit from FY2019-20.

Financial performance for the year ended 30 June 2021 was:

- › Operating surplus: \$1,632K, up 261% on 2019/20
- › Total Revenue: \$7,638K, up 44% on 2019/20
- › Total Expenses: \$6,006K, down 5% on 2019/20

Our 5-year financial performance summary is detailed below:

\$'000	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue	\$7,696	\$8,050	\$8,507	\$5,317	\$7,638
Operating Expenses	\$7,461	\$7,418	\$7,792	\$6,332	\$6,006
Operating Surplus	\$235	\$632	\$715	(\$1,015)	\$1,632

Our Balance Sheet remained strong with net assets worth \$5,385K (total assets of \$8,067K less total liabilities of \$2,682K). This was primarily due to a stable capital structure and income-generating investments. This indicates the sustainable financial health of the Association. The primary sources of revenue were membership subscriptions, International Program, and revenue generated through our events; ticket & exhibition sales and sponsorship income. Overall revenue generated by events increased by 78%, attributed to the success of Ozwater'21 Conference and Exhibition. The International Program revenue was down by 11% due to delay in travel-related milestones due to COVID-19. Advertising revenue was up by 13% due to an increased appetite for digital advertising and the lack of face-to-face promotion opportunities. Membership subscription revenue dropped by 3%; however, there was an overall increase in individual membership. Closed state and international borders impacted international membership and attendees to Ozwater - which also contributed to the dip membership subscription. We expect improved member engagement and increased membership revenue with the implementation of our new CRM platform.

Revenue Summary

The gross revenue for the year ended 30 June 2021 was \$7,638K and the main sources were membership subscriptions, International Program and event generated delegate, exhibition and sponsorship income. The overall event generated revenue increased by 78% mainly due to the successful Ozwater'21 Conference and Exhibition. The International Program revenue was down by 11% due to delay of travel-related milestones as a result of COVID-19.

Advertising revenue was up by 13% due to an increased appetite for digital advertising with the lack of face-to-face promotion opportunities. Membership subscription revenue dropped slightly by 3%. We will be launching a new CRM platform in the coming year which is expected to improve member engagement and drive additional membership revenue.



Operating Expense Summary

The operating expenses for the year ended 30 June 2021 was \$6,006K, down by 5% from 2019/20. This was mainly due to the \$229K fair value gains on the change in 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	2020/21	2019/20
¹ Return on assets (Net Profit/Total Assets)	Profitability	20%	-15%
² Return on equity (Net profit/Total Equity)	Profitability	30%	-27%
³ Current ratio (Current Assets/Current Liability)	Liquidity	2.3	1.7

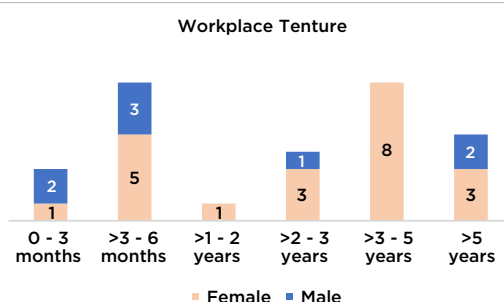
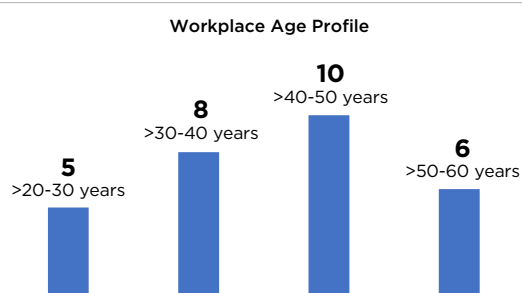
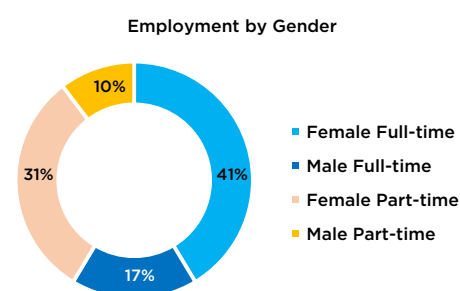
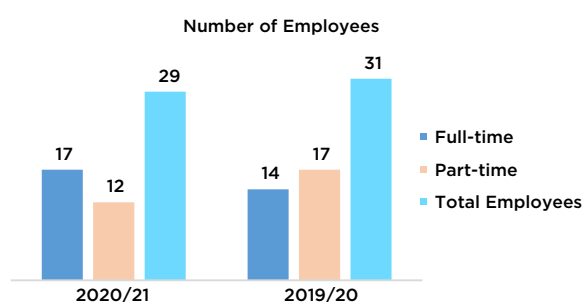
¹ Return on assets is an indicator of how profitable our Association is relative to our total assets.

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

The number and make up of employees has changed slightly due to the implementation of a new operating model between November 2020 - February 2021.



Directors' Report

30 June 2021

Introduction

The financial statements are general purpose financial statements which have been prepared in accordance with the Australian Charities and Not for Profit 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 2020/2021 financial year and the overall financial position at the end of the financial year (30 June 2021).

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.

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.

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 could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Meetings of directors

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 27 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Board Meetings		Governance & Audit Committee		Succession Planning Committee		Honours & Awards Committee		International Programs Committee		Digital Strategy Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Francois Gouws	6	6	0	0	4	4	0	0	3	3	0	0
Carmel Krogh	7	7	5	5	4	4	0	0	3	3	0	0
Jeremy Lucas	6	6	5	5	0	0	2	2	0	0	0	0
Peter Dennis	7	6	6	6	4	4	0	0	0	0	0	0
Daniel Sullivan	7	6	0	0	0	0	0	0	3	3	5	4
Sandra Ridge	7	7	6	6	0	0	2	2	0	0	0	0
Louise Dudley	7	6	6	6	0	0	0	0	0	0	0	0
Jurg Keller	6	6	0	0	4	4	0	0	0	0	5	5
Jim Athanopoulos	7	7	0	0	0	0	2	1	0	0	5	5
Shelley Shepherd	1	1	0	0	0	0	0	0	0	0	0	0
Hon. Karlene Mayward	1	1	0	0	0	0	0	0	0	0	0	0
Kevin Werksman	1	1	1	1	0	0	0	0	0	0	0	0

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 \$107,400 for 5,370 members (2020: \$102,520 for 5,126 members).

Auditor's independence Declaration

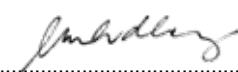
The auditor's independence declaration is included on page 16 of the financial report.

This Director's Report is signed in accordance with a resolution of Directors.

On behalf of the Directors:

Director

Carmel Krogh OAM

Director

Louise Dudley

Dated: 24/09/2021

Directors' Declaration

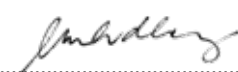
The directors declare that in the board of director's opinion:

- › 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
- › 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

Carmel Krogh OAM

Director

Louise Dudley

Dated: 24/09/2021



Bentleys Sydney Audit Pty Ltd

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Australia

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Australian Water Association Limited
ABN: 78 096 035 773

**Auditor's Independence Declaration under 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 2021, 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.

KEVIN CRANFIELD
Director
Sydney

Dated: 27/09/2021

BENTLEYS SYDNEY AUDIT PTY LTD
Chartered Accountants



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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	4	7,637,840	5,316,737
Net gain on financial assets at fair value through profit or loss		225,144	-
Marketing expenses		(1,643,829)	(1,144,885)
Occupancy expenses	5	(42,351)	(103,313)
Employee benefits expense		(3,431,084)	(3,359,049)
IT expenses		(227,533)	(160,007)
Depreciation and amortisation expenses	5	(453,740)	(526,761)
Net loss on financial assets at fair value through profit or loss		-	(136,306)
Other operating expenses	5	(432,258)	(901,738)
Profit / (loss) before income tax		1,632,189	(1,015,322)
Income tax expense		-	-
Profit / (loss) for the year		1,632,189	(1,015,322)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,632,189	(1,015,322)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,262,008	2,897,062
Trade and other receivables	7	726,231	880,745
Financial assets	8	201,995	201,995
Other assets	11	123,215	100,664
TOTAL CURRENT ASSETS		5,313,449	4,080,466
NONCURRENT ASSETS			
Financial assets	8	1,862,151	1,516,591
Property, plant and equipment	9	235,539	321,877
Intangible assets	10	117,703	141,585
RightofUse Asset Buildings	12	538,217	837,435
TOTAL NONCURRENT ASSETS		2,753,610	2,817,488
TOTAL ASSETS		8,067,059	6,897,954
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	1,844,563	1,953,395
Lease liabilities	12	310,968	290,066
Employee benefits	14	122,471	188,693
TOTAL CURRENT LIABILITIES		2,278,002	2,432,154
NONCURRENT LIABILITIES			
Lease liabilities	12	319,677	655,829
Employee benefits	14	66,445	57,551
Other financial liabilities		18,326	-
TOTAL NONCURRENT LIABILITIES		404,448	713,380
TOTAL LIABILITIES		2,682,450	3,145,534
NET ASSETS		5,384,609	3,752,420
EQUITY			
Retained earnings		5,384,609	3,752,420
TOTAL EQUITY		5,384,609	3,752,420

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Earnings \$	Total \$
Balance at 1 July 2020	3,752,420	3,752,420
Profit attributable to members of the parent entity	1,632,189	1,632,189
Balance at 30 June 2021	5,384,609	5,384,609

2020

	Retained Earnings \$	Total \$
Balance at 1 July 2019	4,838,319	4,838,319
Restatement due to adoption of AASB 16	(70,577)	(70,577)
Balance at 1 July 2019 restated	4,767,742	4,767,742
Loss attributable to members of the parent entity	(1,015,322)	(1,015,322)
Balance at 30 June 2020	3,752,420	3,752,420

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		7,388,298	5,346,922
Payments to suppliers and employees		(6,363,757)	(6,342,773)
Interest received		66,484	85,038
Lease interest		(38,677)	(58,588)
Receipt from Government grants – Jobkeeper and Cashflow Boost		763,450	212,000
Net cash provided by/(used in) operating activities	20	1,815,798	(757,401)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from financial assets		-	816,268
Payment for intangible asset		(60,838)	(13,150)
Purchase of property, plant and equipment		(15,023)	(109,359)
Payment for financial assets		(91,301)	-
Net cash provided by/(used in) investing activities		(167,162)	693,759
CASH FLOWS FROM FINANCING ACTIVITIES:			
Lease liability outflows		(283,690)	(249,237)
Net cash provided by/(used in) financing activities		(283,690)	(249,237)
Net increase/(decrease) in cash and cash equivalents held		1,364,946	(312,879)
Cash and cash equivalents at beginning of year		2,897,062	3,209,941
Cash and cash equivalents at end of financial year	6	4,262,008	2,897,062

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 those charged with governance on 24 September 2021.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

While the effects of COVID-19 do not change the significant estimates, judgements and assumptions in the preparation of financial statements, it has resulted in increased estimation uncertainty and application of further judgement within those identified areas.

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. 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).

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 nil or nominal consideration 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).

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 or 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

Assets measured at amortised cost are financial assets where:

- › the business model is to hold assets to collect contractual cash flows; and
- › the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

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

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

- › the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- › the financial asset 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

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default.

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.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

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 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.

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 2021, 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

Those charged with governance 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 collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	\$	\$
Operating Activities		
› Advertising	317,941	281,646
› Delegates	1,654,123	1,253,066
› Trade displays and exhibition income	1,207,699	185,483
› Government grants	606,241	682,167
› Sponsorship income	1,246,780	873,073
› Subscriptions	1,587,023	1,637,783
	6,619,807	4,913,218
Interest, investment and other revenue from:		
› financial assets	64,673	60,375
› cash and cash equivalents	1,810	24,663
› Other income	188,100	106,481
› Government Grants – Jobkeeper and Cash Flow Boost	763,450	212,000
	1,018,033	403,519
Total Revenue	7,637,840	5,316,737

5 Result for the Year

Other expenses:

Depreciation of plant and equipment and amortisation of intangible expense	186,082	239,641
Right-of-Use depreciation – buildings	267,658	287,120
Bad debts	2,282	6,056
Operating lease expense	42,351	103,313

6 Cash and Cash Equivalents

Cash at bank and in hand	4,262,008	2,897,062
	4,262,008	2,897,062

7 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade and other receivables	655,781	380,389
Provision for impairment	(13,499)	(13,499)
	642,282	366,890
Deposits	83,949	404,052
GST receivable	-	109,803
Total current trade and other receivables	726,231	880,745

8 Other Financial Assets

CURRENT

Other financial assets

Term deposit

201,995 201,995

201,995 201,995

NONCURRENT

Financial assets at fair value through profit or loss

1,862,151 1,516,591

1,862,151 1,516,591

Total

2,064,146 1,718,586

9 Property, Plant and Equipment

PLANT AND EQUIPMENT

Furniture, fixtures and fittings

At cost

26,725 26,725

Accumulated depreciation

(21,173) (19,515)

Total furniture, fixtures and fittings

5,552 7,210

Office equipment

At cost

258,032 243,008

Accumulated depreciation

(194,304) (169,879)

Total office equipment

63,728 73,129

2021

2022

\$

\$

Leasehold Improvements

At cost

313,020 313,020

Accumulated depreciation

(146,761) (71,482)

Total leasehold improvements

166,259 241,538

Total plant and equipment

235,539 321,877

Total property, plant and equipment

235,539 321,877

(a) Movements in Carrying Amounts

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

	Furniture, Fixtures and Fittings \$	Office Equipment \$	Leasehold Improvements \$	Total \$
Year ended 30 June 2021				
Balance at the beginning of year	7,210	73,129	241,538	321,877
Additions	-	15,024	-	15,024
Depreciation expense	(1,658)	(24,425)	(75,279)	(101,362)
Balance at the end of the year	5,552	63,728	166,259	235,539

10 Intangible Assets

	2021 \$	2020 \$
Intangible assets		
Cost	623,990	563,152
Accumulated amortisation and impairment	(506,287)	(421,567)
Total Intangibles	117,703	141,585

(a) Movements in carrying amounts of intangible assets

	Computer software \$	Total \$
Year ended 30 June 2021		
Balance at the beginning of the year	141,585	141,585
Additions	60,838	60,838
Amortisation	(84,720)	(84,720)
Closing value at 30 June 2021	117,703	117,703

11 Other Assets

	2021 \$	2020 \$
CURRENT		
Prepayments	123,215	100,664
	123,215	100,664

12 Leases

Company as a lessee

The Company has leases over land and buildings.

Information relating to the leases in place and associated balances and transactions are provided below.

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 \$
Year ended 30 June 2021		
Right-of-Use - Buildings	837,435	837,435
Depreciation charge	(267,658)	(267,658)
Reductions in rightofuse assets due to changes in lease liability	(31,560)	(31,560)
Balance at end of year	538,217	538,217
	Buildings \$	Total \$
Year ended 30 June 2020		
Right-of-Use - Buildings	1,435,602	1,435,602
Depreciation charge	(598,167)	(598,167)
Balance at end of year	837,435	837,435

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:

	2021 \$	2020 \$
Interest expense on lease liabilities	(38,677)	(58,588)
Right-of-Use depreciation - buildings	(267,658)	(287,120)
	(306,335)	(345,708)
Statement of Cash Flows		
Total cash outflow for leases	322,367	307,825

13 Trade and Other Payables

	2021 \$	2020 \$
CURRENT		
Trade payables	107,700	11,876
GST payable	47,911	-
Sundry payables and accrued expenses	194,321	211,894
Deferred membership income	808,508	759,340
Other deferred income	686,123	970,285
	1,844,563	1,953,395

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 shortterm nature of the balances.

14 Employee Benefits

Current liabilities		
Employee benefits: annual leave	122,471	188,693
	122,471	188,693
Noncurrent liabilities		
Employee benefits: Long service leave	66,445	57,551
	66,445	57,551

15 Financial Risk Management

	Note		
Financial assets			
Held at amortised cost			
Cash and cash equivalents	6	4,262,008	2,897,062
Trade and other receivables	7	726,231	880,745
Held to maturity investments	8	201,995	201,995
Fair value through profit or loss (FVTPL)			
Financial assets at fair value through profit or loss	8	1,862,151	1,516,591
Total financial assets		7,052,385	5,496,393
Financial liabilities			
Financial liabilities at fair value			
Trade and other payables	13	349,932	223,770
Total financial liabilities		349,932	223,770

16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 855,154 (2020: \$ 976,280).

The above remuneration has decreased due to the organisational restructure during the current year.

17 Auditors' Remuneration

	2021 \$	2020 \$
Remuneration of the auditor for:		
Audit of the financial statements	31,500	30,000
Other services	2,550	3,500
Total	34,050	33,500

The auditor of Australian Water Association Limited is Bentleys Sydney Audit Pty Ltd. The auditor in the 2020 financial year was Bentleys NSW Audit Pty Ltd.

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 (2020: \$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 Group (2020: \$90,000) with respect to payroll and a BCCL facility of \$100,000 with Australia and New Zealand Banking Group (2020: \$100,000).

19 Related Parties

The Company's main related parties are as follows:

WaterAustralia Solutions Limited, which has 1 director in common (Carmel Krogh, Francois Andre Gouws resigned from Australian Water Association Limited during the 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:

	2021	2020
	\$	\$
Profit for the year	1,632,189	(1,015,322)
Cash flows excluded from profit attributable to operating activities		
Noncash flows in profit:		
› amortisation	84,720	86,441
› depreciation	101,362	153,200
› depreciation of ROU asset	267,658	287,120
› decrease in provision for doubtful debts	-	(6,035)
› net (gain)/loss on disposal of investments	(29,118)	(40,293)
› fair value movements on investments	(225,144)	136,306
Changes in assets and liabilities:		
› (increase)/decrease in trade and other receivables	154,514	(118,568)
› (increase)/decrease in other assets	(22,550)	(16,285)
› increase/(decrease) in trade and other payables	126,163	(312,175)
› increase/(decrease) in unearned revenue	(234,994)	-
› increase/(decrease) in deferred rent	18,326	-
› increase/(decrease) in provisions	(57,328)	88,210
Cashflows from operations	1,815,798	(757,401)

21 Events occurring after the end of the reporting period

The financial report was authorised for issue on 24 September 2021 by those charged with governance.

The duration before COVID-19 health crisis is brought under control and the associated economic impacts remains unknown. The Company continues to closely monitor developments with a focus on potential financial and operational impacts. The Directors, on the date of approving these financial statements, are of the view the effects of COVID-19 do not change the significant estimates, judgements and assumptions in the preparation of financial statements, however note that the situation is continuing to evolve.

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 2021, 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 2021 and of its performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements, 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 – Reduced 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: 27/09/2021



**AUSTRALIAN
WATER**

ASSOCIATION