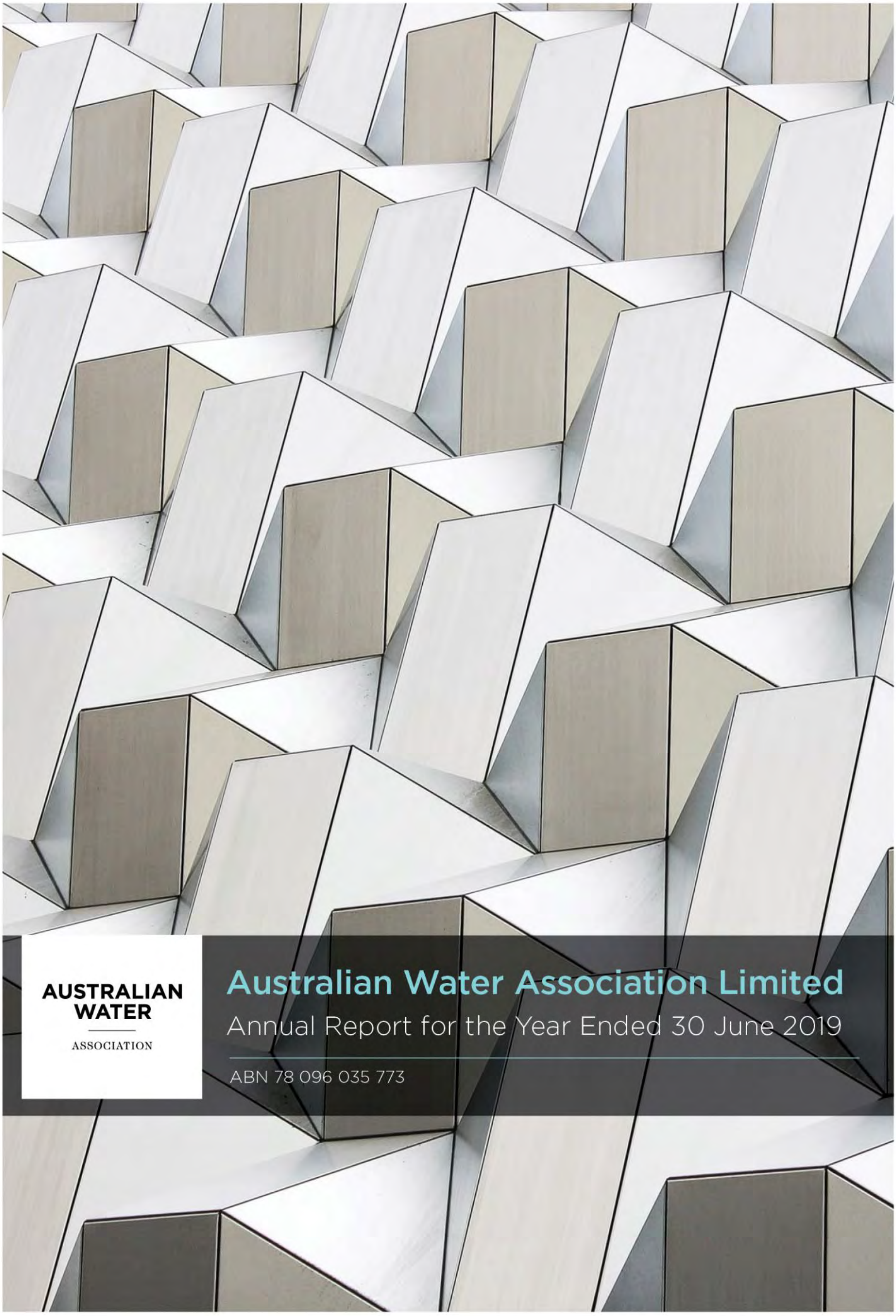

AUSTRALIAN WATER

ASSOCIATION

Australian Water Association Limited

Annual Report for the Year Ended 30 June 2019

ABN 78 096 035 773

AUSTRALIAN WATER ASSOCIATION

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Director's Report

The directors of Australian Water Association Limited ("the company") submit herewith the annual report of the company for the financial Year Ended 30 June 2019.

Information about the directors

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

Mr Francois Gouws

Prof Jurg Keller

Ms Carmel Krogh

Dr Jeremy Lucas

Ms Louise Dudley

Mr Mike Muntisov – resigned May 2019

Mr Mal Shepherd – resigned May 2019

Dr Fabiana Tessele – resigned May 2019

Mr Garth Walter – resigned May 2019

Dr Sandra Ridge – appointed May 2019

Mr Peter Dennis – appointed May 2019

Mr Daniel Sullivan – appointed May 2019

Mr Jim Athanasopoulos – appointed May 2019

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

President
Ms Carmel Krogh

(Began Presidency in May 2019)

Qualifications	BE (Civil), MEng, MBA, Grad Dip LGE, GAICD, PMAWA
Position	Director Shoalhaven Water, Shoalhaven City Council
Special Responsibilities	Succession Planning Committee (Chair) International Programs Committee

Immediate Past President
Mr Francois Gouws

Qualifications	MBA, BSc (Hons), BCom, NHD Mech Eng, FAICD, AFIEAust, EngExec, NER, PMAWA
Position	Managing Director, TRILITY Group of Companies Chairman, TRILITY Pty Ltd Chairman, Hydramet Group of Companies Director, Helena Water Group of Companies Chair, Adelaide Aqua Pty Ltd Chair of Water Taskforce, Infrastructure Partnerships Australia Director, WaterAid Australia Director Water Australia Solutions
Special Responsibilities	International Programs Committee (Chair) Succession Planning Committee

Ms Louise Dudley

Qualifications	B Com, CA GAICD, PMAWA
Position	CEO Queensland Urban Utilities CEDA Qld State Advisory Council Director, WSAA Director, Waterstart Nevada Director, LMD Holdings
Special Responsibilities	Governance & Audit Committee (Chair)

Prof Jurg Keller

Qualifications	BE (Chemical Engineering), PhD, FTSE, FIWA, PMAWA
Position	Deputy Director Research, Advanced Water Management Centre, The University of Queensland
Special Responsibilities	Digital Strategy Committee (Chair) Networks & Collaboration Committee (Chair) Succession Planning Committee

Dr Jeremy Lucas

Qualifications	BSc (Hons), PhD, MEng, GAICD, PMAWA
Position	Customer & Business Systems Manager, Allwater
Special Responsibilities	Honours & Awards Committee (Chair) Governance & Audit Committee

Mr Jim Athanasopoulos

Qualifications	Bachelor of Engineering (Hons) in Chemical Engineering from University of New South Wales (UNSW), 1992 Master of Management from Macquarie Graduate School of management (MGSM), in 1999 (Finance and Marketing majors) Graduate of Australian Institute of Company Directors (AICD), in 2012
Position	Managing Director Xylem Oceania
Special Responsibilities	Honours & Awards Committee Digital Strategy Committee

Mr Peter Dennis

Qualifications	Bachelor of Engineering (Chemical) Honours Class 1 University of Newcastle 1989 Master of Environmental Studies University of Newcastle 1993 Postgraduate Diploma of Management Deakin University 1997 Corporate Directors' Diploma (with High Distinction) University of New England 2005
Position	Managing Director, HunterH2O
Special Responsibilities	Succession Planning Committee Governance & Audit Committee

Mr Daniel Sullivan

Qualifications	MBA, Bachelor of Commerce
Position	Chief Executive Officer, iota Services
Special Responsibilities	International Programs Committee Digital Strategy Committee

Dr Sandra Ridge (Hall)

Qualifications	2003, Doctor of Philosophy (Environmental Biotechnology), The University of Queensland 1998, Bachelor of Applied Science (Biotechnology), The University of Queensland
Position	Operations and Business Development Manager, Advanced Water Management Centre, University of Queensland
Special Responsibilities	Governance & Audit Committee, Honours & Awards Committee, Networks & Collaboration Committee

Principal Activities

The Australian Water Association is a membership association for all professionals and organisations in the water sector that provides members with relevant information through publications and digital platforms, a range of business and professional development opportunities through events, seminars, and industry dinners; and a range of programs including International Trade & Development; Channeling Change for greater diversity and inclusion, mentoring for professional development, and the National Water Awards that recognises excellence and achievements.

The Association is governed by our Constitution and By-Laws that have been extensively reviewed this year for both a constitutional amendment that was approved by an Extraordinary General Meeting in August and in preparation for a new 3 year strategic plan that was announced in May. An EGM approved an amendment to the Constitution to enable an extension of a director's term of office when that director is nominated for the role of President-Elect at the end of their term as a director.

Strategy'22

After extensive consultation with the Association's Branches, Strategic Advisory Council, and members a new strategic plan called Strategy '22 was announced by the new President Carmel Krogh at Ozwater in May. Strategy '22 will guide the direction of the Association over the next 3 years by with the following newly defined Purpose, Value Proposition, and Goals:

Purpose
Inspire and drive a sustainable water future.

Value Proposition
To drive prosperity and sustainability by providing individuals with career enrichment and organisations with business opportunities as we:

Share – information and knowledge
Connect – members with industry and stakeholders
Inspire – positive change

Our culture reflects our people
Passionate – as we advocate water sustainability
Collaborative – as we share expertise, knowledge and solutions
Inclusive – as we seek innovation, diversity and equality in all that we do

Our Goals for Strategy'22

Strategic Goal 1 Strengthen Partnerships - to build partnerships with Governments & Industry Allies; Asia-Pacific Partners; and our service providers to facilitate a sustainable water future.

Strategic Goal 2 Extend our Reach - to engage with communities and other industry sectors in urban, rural, and remote Australia to drive a sustainable water future.

Strategic Goal 3 Promote Diversity and Inclusion - to celebrate the diversity of our members and to promote a culture of inclusiveness as key to a sustainable water future.

FY 2018-19 Highlights

The 2018-19 Financial Year was a highly successful period for the Association. Some of the highlights of the year include the following:

Strong Financial Results

The Association achieved a financial surplus of $715K that is the highest surplus achieved by the Association. This was derived from our major revenue sources of Ozwater $3.8M; membership subscriptions of $1.6M; and the International Program $1.1M.

Positive Member Engagement

A survey of our members revealed a high level of member satisfaction and support for the Association's activities, programs, and the value for money membership. Our membership at the end of the financial year was 5,183. This represented a drop of 309 individual members principally from 95 lapsed student members and our large corporate members not filling their staff allocations that are included in their corporate membership. However, the membership subscriptions increased by $63K representing a 4% growth.

Upgrade of our Operating Systems

To lift productivity and enhance our member services the Association undertook upgrades during the year to our finance system, our event registration system, and our intranet platform. These upgrades have enabled us to provide more timely and accurate financial reports, much more efficient and agile event registrations, and a new intranet platform that enables more effective document sharing and communication with improved engagement between our elected volunteers, staff, and members.

Head Office Upgrade

After more than 11 years in the same premises our head office has been refitted with new open plan work-spaces, upgraded meeting rooms, video conferencing facilities, and a more contemporary look that better reflects the Association's modern and vibrant outlook and culture.

Increased Digital Engagement

Reflecting both industry and community trends, our members and stakeholders are increasingly turning to our digital platforms and publications as their preferred way to share, connect, and inspire. Our website sessions hit 473,333 throughout the year, which represents a 105.73% increase from the year before. Social media engagement has increased with the number of followers across each channel growing significantly. Our LinkedIn and Facebook followers have increased by 67% and 32% respectively.

The year also saw a significant increase in the download rate for podcasts and videos with 7,110 podcast downloads (85% increase from last year) and 82 videos uploaded to our YouTube channel with 8,841 views. Our Current Magazine, available in both digital and printed form, has maintained a readership estimated at 12,000. Our National Source digital newsletter has maintained open rates of 36% (10 week sample) that are well above industry standards.

Branches

Our State and Territory Branches had a successful year attracting record numbers to their events and activities. The Branches have moved quickly to implement the new Strategy '22 with a renewed focus on regional members and activities, indigenous water matters, and diversity and inclusion events on unconscious bias, gender balance, and cultural diversity.

Specialist Networks

Our 14 Specialist Networks continue to provide members with the opportunity to share, connect, and inspire on specialist areas of expertise. Over the year the specialists networks have contributed 3 workshops at Ozwater, participants for two Ozwater panels; 22 articles in our digital and printed publications; 3 webinars; and 3 submissions.

Bio-Solids Partnership

The Association's bio-solids partnership maintained strong industry support with 21 corporate members and held its most successful National Bio-solids Conference in Brisbane with 172 attendees. The ANZBP advisory committee recommended and has now commissioned several important projects for subscribers including the 2019 biannual biosolids production and use survey and a major Community Attitudes to Biosolids project in 2019-2020.

Ozwater'19

Our flagship international conference and exhibition Ozwater was held in Melbourne and once again raised the performance bar with an outstanding range of keynote speakers, industry and technical streams, and 4,724 attendees. The exhibition was rated highly as a modern and impressive display of water industry and technology capabilities. There were 236 exhibitors that recorded more than 5,100 business leads.

International Program

Our International Program had a year of significant growth with additional financial support from participating members, the Department of Foreign Affairs and Trade, State Governments, and the Australian Water Partnership. The year saw the Association's Utility Improvement Program expanded to rural areas of Vietnam and extended into Cambodia and Indonesia. Across the urban water utilities in Vietnam and Australia 779 water utility staff were engaged in the Program.

Our trade delegation to VietWater had a record total of 103 Australians from 35 organisations involved and the Association facilitated additional visits to Cambodia, Indonesia, Singapore International Water Week, WaterNZ's Annual Conference, and the IWA World Water Congress in Japan.

Our Vietnam Program has now generated an estimated $40M worth of new business for Association members. The Association's water technology demonstration projects in Vietnam throughout the year produced an additional 75,000 L per day of drinking water for up to 35,000 people (including 1,000 school children).

Young Water Professionals

Last but certainly not least, the year saw impressive involvement of our Young Water Professionals with 17 events that connected with more 1,000 YWPs. The Ozwater'19 Young Water Professional Program had 100 attendees.

The AWA National Taskforce for YWPs that includes a representative from each State YWP sub-committee met regularly and assisted with the delivery of the international YWP Program at Ozwater'19 which supported the attendance of 17 Young Water Professionals from across the Indo-Pacific region. There were more than 250 applications for the 17 places funded by the Australian Water Partnership and the Department of Foreign Affairs and Trade.

Financial Performance

The Association delivered outstanding performance in 2019 which has been a turning point in its development and repositioning. Having refurbished the Sydney office and upgraded the Finance and Event registration systems and the Intranet platform, the Association is now poised for further development.

We are focusing on sustaining a strong financial position to ensure we can meet our strategic goals in the future.

Financial performance for the year ended 30 June 2019

- Operating surplus: $715K, up 13% on 2017/18.
- Total Revenue: $8,507K, up 6% on 2017/18.
- Total Expenses: $7,792K, up 5% on 2017/18.

This favourable position is driven by increased revenue from our national conference Ozwater'19, improved investment portfolio and successful international program activities such as Vietnam and Indonesia. Our Balance Sheet is robust at $4,838K and will help position the Association for future growth.

Our 5-year financial performance summary is detailed below:

$'000	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue	6,942	7,195	7,696	8,050	**8,507**
Operating Expenses	7,472	7,513	7,461	7,418	**7,792**
Operating Surplus	(530)	(318)	235	632	**715**

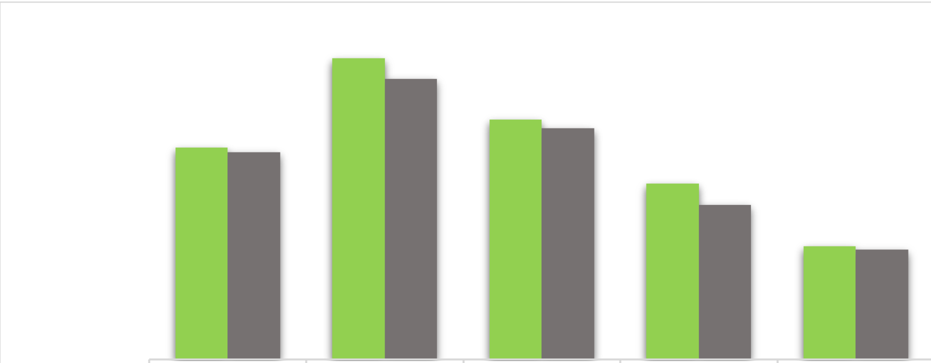
Revenue summary

Australian Water Association's gross revenue for the year ended 30 June 2019 was $8,507K and the main sources were: Ozwater'19, the International program and membership subscriptions.

Ozwater revenue generated $1,752K in exhibition, $1,412K in delegates and $617K in sponsorship income. For 2018/19, Ozwater revenue represented 44% of total revenue compared to 45% for 2017/18.

The International program generated $1,100K from member delegate fees, funding from the Department of Foreign Affairs & Trade (DFAT), state government grants and funding from the Australian Water Partnership (AWP).

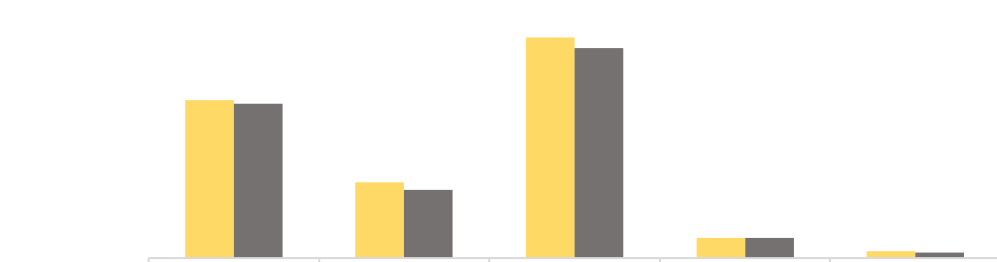
Membership revenue increased by $63K (4%) on 2017/18, which was related to an increase of 112 new corporate professional individual members, additional 8 universities joining as corporate members and an average price increase of 2.5%.



	Subscriptions Income	Delegate Fees	Exhibition Income	Sponsorship Income	Government Grants
2018/19	$1,640K	$2,331K	$1,857K	$1,359K	$876K
2017/18	$1,603K	$2,173K	$1,789K	$1,194K	$852K

Operating expense summary

The overall increase in total operating expenses was $374K. Of this, $177K was attributed to increase in employee benefits which was proportional to an average salary increase of 2.5% and higher accumulated annual leave and long-service leave provisions. Administrative expenses increased by $126k due to operational efficiency and branches discretionary fund.



	Marketing	Administrative	Employee benefits	Occupancy	Depreciation and amortisation
2018/19	$2,542K	$1,223K	$3,560K	$324K	$105K
2017/18	$2,493K	$1,097K	$3,382K	$328K	$94K

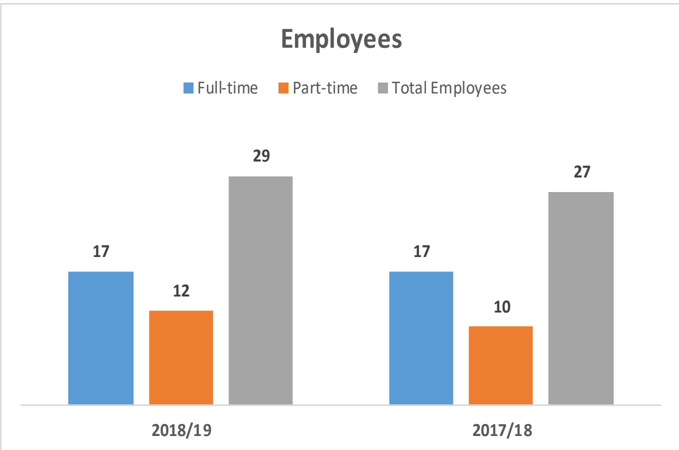
Key performance measures

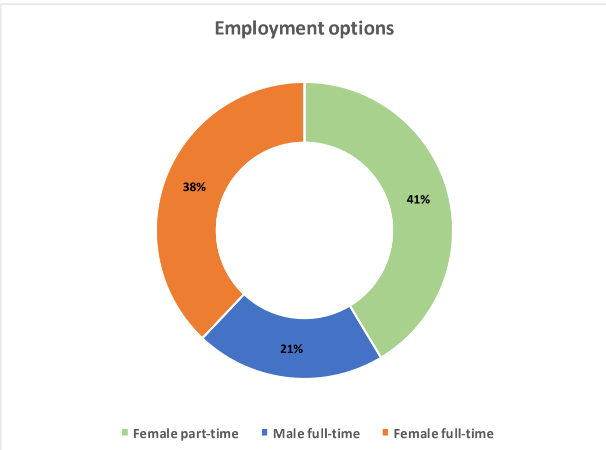
Our financial performance and financial sustainability is presented through the following industry accepted ratios.

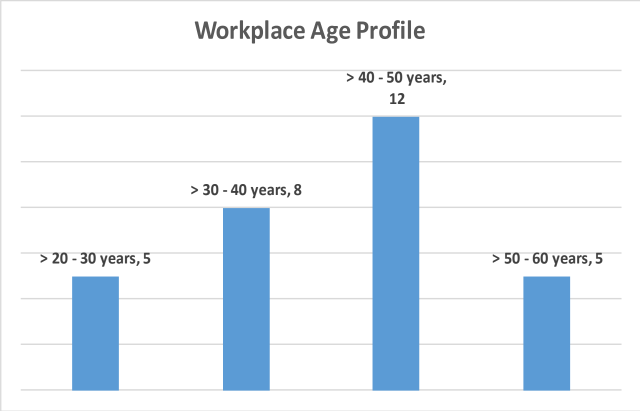
Key performance measures	Type	2018/19	2017/18
[1] **Return on assets** *(Net Profit/Total Assets)*	Profitability	10%	10%
[2] **Return on equity** *(Net profit/ Total Equity)*	Profitability	15%	15%
[3] **Current ratio** *(Current Assets/ Current Liability)*	Liquidity	2.3	2.2

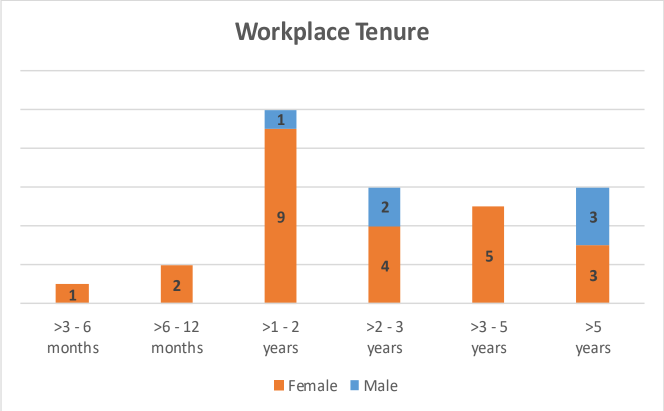
[1] Return on assets is an indicator of how profitable our Association is relative to our total assets.
[2] Return on equity measures profitability by comparing the profit generated against the capital investments.
[3] Current ratio indicates the extent to which current liabilities can be paid off through current assets.

Our Workforce Profile









Wages and salaries

Wages and salaries due but unpaid at reporting date are recognised as a current liability in the Statement of Financial Position at the current salary rates.

Annual leave

Accumulated annual leave represents the amount the Association is required to pay its employees for services provided up to reporting date. The annual leave liability is calculated at nominal amounts based on remuneration rates that would be required to be paid plus related on-costs if the liability is settled at reporting date. Annual leave is classified as a current liability (employee benefits) in the Statement of Financial Position.

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows which the Association is required to pay its employees for services provided up to reporting date and an actuarial estimate of future obligations, taking into account future increases in wage and salary rates, periods of service and experience of employee departure plus related on-cost. This amount is reported as a current liability (employee benefits) in the Statement of Financial Position.
Amounts the Association does not have a present obligation to pay at reporting date are discounted using the rates attaching to high quality corporate bonds at reporting date that most closely match the terms of maturity of the related liabilities. This amount is reported as a non-current liability (employee benefits) in the Statement of Financial Position.

Remuneration

Remuneration for key executive management personnel is determined by the Chief Executive Officer and the Succession Planning sub-committee of the Board. Remuneration and other terms of employment are specified in individual employment contracts. The contracts provide for the provision of performance-related cash payments. The annual review of remuneration of key executive management personnel increased by 2.5%.
Remuneration packages for key executive management personnel comprise the following components:

– salaries, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position;
– performance bonus payments recognised as an expense during the year;
– leave accrued.
– superannuation contributions.
– Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination.
– Performance payments may be paid or payable annually depending upon satisfaction of key criteria. Amounts payable are tied to the achievement of pre-determined organisational and individual performance targets as agreed by the Chief Executive Officer.

Guide to our Financial Statements

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 2018/19 financial year and the overall financial position at the end of the financial year (30 June 2019).

The Financial Statements include:

- Statement of Financial Performance
- 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 Deloittes Touche Tohmatsu.

Statement of Financial performance

The Statement of Financial performance 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 do not include capital purchases for the upgrade of our Sydney office. However, it does include depreciation and amortisation, which is a provision for the value of assets 'used up or consumed' during the year. The statement is prepared on an 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 Feb 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 Financial performance 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 our non-current assets.

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 Deloittes provides 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 statement.

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.

	Board Meetings		Governance and Audit Committee		Succession Planning Committee		Honours and Awards Committee		International Programs Committee		Digital Strategy Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Francois Gouws	10	10			2	2			3	3		
Ms Carmel Krogh	10	10	5	3	2	2			1	1		
Dr Jeremy Lucas	10	10	1	1			4	4				
Mr Mike Muntisov	8	8					4	4			2	2
Mr Mal Shepherd	8	8	5	5					2	2		
Mr Garth Walter	8	8					4	4				
Prof Jurg Keller	10	9					4	4			2	2
Dr Fabiana Tessele	8	7					4	3			2	1
Ms Louise Dudley	10	9	6	4								
Mr Kevin Jones			5	1								
Mr Peter Dennis	2	2	1	1								
Mr Daniel Sullivan	2	2							1	1		
Ms Sandra Hall	2	2	1	1			1	1				
Mr Jim Athananopulos	2	2					1	1				

** Member (Non-Director) appointed by Board*

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 $103,680 for 5,184 members (2018: $109,860 for 5,493 members).

Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Auditor's independence declaration

The auditor's independence declaration is included after this report. This directors' report is signed in accordance with a resolution of directors

On behalf of the Directors

Director: ....
Carmel Krogh

Director: ....
Francois Gouws

Dated:

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
Australian Water Association Limited
Level 5, 655 Pacific Highway
St Leonards NSW 2065

10 October 2019

Dear Sirs,

Australian Water Association Limited

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Australian Water Association Limited.

As the lead audit partner for the audit of the financial statements of Australian Water Association Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

DELOITTE TOUCHE TOHMATSU

Gaile Timperley
Partner
Chartered Accountants
Sydney

Director's Declaration

The directors declare that:

(a) 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; and

(b) in the board members' opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company; and

Signed in accordance with a resolution of the board members made pursuant to s.60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

On behalf of the Directors

Director	Director ....
Carmel Krogh	Francois Gouws

Dated:

Statement of Profit or Loss and Other Comprehensive Income

	Note	2019 $	2018 $ (restated)
Revenue	2	8,507,001	8,049,564
Marketing expenses		(2,541,791)	(2,493,335)
Occupancy expenses	3	(323,789)	(327,510)
Administrative expenses		(1,223,265)	(1,097,483)
Employee benefits expense		(3,559,545)	(3,382,266)
IT expenses		(31,160)	(47,050)
Depreciation and amortisation expense	3	(105,421)	(94,075)
Net loss arising on financial assets at fair value through profit or loss	3	(7,069)	(18,663)
Net profit on disposal of financial assets	3	-	43,136
Profit before tax		714,961	632,318
Income tax expense		-	-
Profit for the year		714,961	632,318
Other comprehensive income		-	-
Total comprehensive income for the year		714,961	632,318

The accompanying notes form part of these financial statements.

Statement of Financial Position

	Note	2019 $	2018 $ (restated)
Assets			
Current assets			
Cash and cash equivalents	4	3,209,941	1,677,537
Trade and other receivables	5	756,142	1,079,724
Other assets	6	84,379	114,339
Financial assets	7	1,440,729	1,433,593
Total current assets		5,491,191	4,305,193
Non-current assets			
Financial assets	7	1,190,138	1,385,272
Property, plant and equipment	8	365,719	132,827
Intangible assets	9	214,876	262,217
Total non-current assets		1,770,733	1,780,316
Total assets		7,261,924	6,085,509
Liabilities			
Current liabilities			
Trade and other payables	10	2,265,571	1,865,968
Provisions	11	120,892	70,979
Total current liabilities		2,386,463	1,936,947
Non-current liabilities			
Provisions	11	37,142	25,204
Total non-current liabilities		37,142	25,204
Total liabilities		2,423,605	1,962,151
Net assets		4,838,319	4,123,358
Equity			
Retained earnings		4,838,319	4,123,358
Total equity		4,838,319	4,123,358

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

	Retained earnings $	Total equity $
Balance at 1 July 2017 (restated)	**3,491,040**	**3,491,040**
Profit for the year (restated)	632,318	632,318
Other comprehensive income (restated)	-	-
Total comprehensive income for the year (restated)	-	-
Balance at 30 June 2018 (restated)	**4,123,358**	**4,123,358**
Balance at 1 July 2018 (restated)	4,123,358	4,123,358
Profit for the year	714,961	714,961
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2019	**4,838,319**	**4,838,319**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from ordinary activities		9,567,326	8,140,367
Payments to suppliers and employees		(8,047,374)	(7,898,676)
Interest, dividends and distribution received		122,495	92,192
Net cash generated by operating activities		1,642,447	333,883
Cash flows from investing activities			
Payment for plant and equipment		(257,176)	(26,693)
Proceeds from investments		-	48,900
Proceeds / (payments) for investments		180,928	(239,013)
Proceeds from held-to-maturity financial assets		-	2,001
Payment for intangible asset		(33,795)	(11,032)
Net cash used in investing activities		(110,042)	(225,837)
Net increase in cash and cash equivalents held		1,532,404	108,046
Cash and cash equivalents at beginning of year		1,677,537	1,569,491
Cash and cash equivalents at end of financial year	4	3,209,941	1,677,537

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

General Information

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.

1. Significant accounting policies

(a) Statement of compliance

These 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. The entity is a company limited by guarantee.

For the purpose of preparing the financial statements, the company is a not-for-profit entity.

The financial statements were authorised for issue by the directors on 20 September 2019.

(b) Basis of preparation

The financial statements are general purpose financial statements that 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for leasing arrangements that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value or value in use in AASB 136.

The principal accounting policies are set out below.

(c) Revenue recognition

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.

1. Significant accounting policies (cont'd)

(c) Revenue recognition (con't)

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount on initial recognition.

(d) Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(e) Contributions - Government grants/Donations

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

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 consolidated 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 Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

1. Significant accounting policies (cont'd)

(f) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal value using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the company in respect of services by employees up to reporting date.

(g) Taxation

The company is exempted from income tax under Division 50 of the Income Tax Assessment Act 1997.

(h) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

Class of plant and equipment	Depreciation rate
Furniture, fixtures and fittings	15 - 25%
Motor vehicles	9 - 40%
Leasehold improvements	25%

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.

1. Significant accounting policies (cont'd)

(i) Impairment of tangible and intangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (see (h) above).

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (see (h) above).

(j) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1. Significant accounting policies (cont'd)

(k) Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

<u>Non-derivative financial assets</u>

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

<u>Classification of financial assets</u>
Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The entity's financial assets include trade receivables measured at amortised cost, investments in units of funds classified as financial assets at fair value through profit or loss, term deposits and cash and cash equivalents.

1. Significant accounting policies (cont'd)

(k) Financial instruments (cont'd)

Derecognition of financial asset

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The entity's financial liabilities include trade payables measured at amortised cost.

Derecognition of financial liabilities

The entity derecognises financial liabilities when, and only when, the entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1. Significant accounting policies (cont'd)

(l) Intangible assets

Software

Software is recorded at cost. 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.

(m) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

(n) 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.

(o) Comparative figures

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(p) Critical judgements in applying accounting policies

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.

1. Significant accounting policies (cont'd)

(p) Critical judgements in applying accounting policies (cont'd)

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

As described at (h) above, the company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

(q) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(r) Application of new and revised Accounting Standards

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 Revenue from Contracts with Customers	1 July 2019	30 June 2020
AASB 1058 Income of Not-for-Profit Entities	1 July 2019	30 June 2020
AASB 1059 Service Concession Arrangements: Grantors	1 July 2019	30 June 2020
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	1 July 2019	30 June 2020
AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities	1 July 2019	30 June 2020
AASB 16 'Leases	1 July 2019	30 June 2020

1. Significant accounting policies (cont'd)

(r) Application of new and revised Accounting Standards (cont'd)

Standards and Interpretations in issue not yet adopted (cont'd)

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers
AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is when an NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058.

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118. The entity is still evaluating the impact of AASB 1058 and AASB 15 on the consolidated financial statements.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities
Provides a temporary option for NFP lessees to elect to measure a class (or classes) of right-of-use assets arising under 'concessionary leases' at initial recognition, at either fair value or cost. If an entity chooses the cost option, additional disclosures are required for each material 'concessionary / peppercorn lease' on the nature and terms and the entity's dependence on such leases. The entity is still evaluating the impact of this standard on the consolidated financial statements.

AASB 16 Leases
AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. AASB 16 will supersede the current lease guidance including AASB 117 Leases and the related Interpretations when it becomes effective.

The entity has chosen the modified retrospective application of AASB 16. Consequently, the entity will not restate the comparative information.

Impact on Lessee Accounting
AASB 16 will change how the entity accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet, mainly in relation to the entity's office lease.

On initial application of AASB 16, for the Group's office lease, the entity will:

- Recognise right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognise depreciation of the right-of-use asset and interest on the lease liability in the statement of profit or loss;
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the cash flow statement.

1. Significant accounting policies (cont'd)

(r) Application of new and revised Accounting Standards (cont'd)

Standards and Interpretations in issue not yet adopted (cont'd)

AASB 16 Leases
Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right -of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis. Under AASB 16, right-of-use assets will be tested for impairment in accordance with AASB 36 'Impairment of Assets'. This will replace the previous requirement to recognise a provision for onerous lease contracts. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the entity will opt to recognise a lease expense on a straight -line basis as permitted by AASB 16.

A schedule of current operating lease commitments is disclosed in Note 12.

Impact on Lessor Accounting
Under AASB 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, AASB 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets. AASB 16 is not expected to result in any material impact on the entity's accounting as the entity does not currently act as lessor nor earn any material rental income.

(s) Application of new and revised Accounting Standards

In the current year, the entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current annual reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the entity include AASB 9 'Financial Instruments', and the relevant amending standards.

Impact of initial application of AASB 9 'Financial Instruments'

In the current year, the entity has applied AASB 9 'Financial Instruments' (as amended) and the related consequential amendments to other AASB Standards that are effective for an annual period that begins on or after 1 July 2018.

AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets; and
- General hedge accounting.

Details of these new requirements as well as their impact on the entity's financial statements are described below.

All recognised financial assets that are within the scope of AASB 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

1. Significant accounting policies (cont'd)

(s) Application of new and revised Accounting Standards (cont'd)

Impact of initial application of AASB 9 'Financial Instruments' (cont'd)

Management reviewed and assessed the entity's existing financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 has had the following impact on the entity's financial assets in respect of their classification and measurement:

- The entity's investments in units of investment funds in Ethinvest that were previously classified as available-for-sale financial assets and were measured at fair value with changes in fair value recognised through other comprehensive income, have been reclassified as financial assets designated at fair value through profit or loss because the entity did not have the option to irrevocably elect to classify these financial assets at fair value through other comprehensive income.
- Loans and receivables under AASB 139 that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

A significant change introduced by AASB 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. This change in accounting policy has not affected the entity's accounting as all of the entity's financial liabilities were continued to be measured at amortised cost using the effective interest method as at 30 June 2019.

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. AASB 9 requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables. Given no significant receivable write-offs in relation to the entity's income streams, the application of the AASB 9 impairment requirements has not resulted in any material additional loss allowances to be recognised as at 1 July 2018.

Hedge accounting requirements of AASB 9 have not had any material impact on the entity's financial statements as the entity did not hold any hedging instruments as at 30 June 2019.

The entity has elected to restate the comparative financial information. The table below shows the amount of adjustment for each financial statement line item affected by the application of AASB 9 for the prior year.

1. Significant accounting policies (cont'd)

(s) Application of new and revised Accounting Standards (cont'd)

Impact of initial application of AASB 9 'Financial Instruments' (cont'd)

Impact on profit or loss for 2018:

	As previously reported	AASB 9 adjustments	As restated
Net loss arising on financial assets at fair value through profit or loss	-	(18,663)	(18,663)
Profit for the year	650,981	(18,663)	632,318

Impact on other comprehensive income and total comprehensive income for 2018:

	As previously reported	AASB 9 adjustments	As restated
Changes in fair value of available-for-sale financial assets	(18,663)	18,663	-
Total comprehensive loss for the year	(18,663)	18,663	-

Impact on assets, liabilities and equity as at 1 July 2017:

	As previously reported	AASB 9 adjustments	As restated
Retained earnings	3,370,919	120,121	3,491,040
Reserves	120,121	(120,121)	-
Total	3,491,040	-	3,491,040

Impact on assets, liabilities and equity as at 1 July 2018:

	As previously reported	AASB 9 adjustments	As restated
Retained earnings	4,021,900	101,458	4,123,358
Reserves	101,458	(101,458)	-
Total	4,123,358	-	4,123,358

2. Revenue

The following is an analysis of the company's revenue for the year from continuing operations excluding investment income – refer to note 2(a).

	2019 $	2018 $
Operating activities		
Advertising	251,491	301,742
Delegates	2,330,818	2,173,325
Trade displays and exhibition income	1,857,485	1,788,829
Government grants	876,469	852,003
Other income	68,728	44,259
Sponsorship income	1,359,317	1,194,495
Subscriptions	1,640,198	1,602,719
Total income from operating activities	8,384,506	7,957,372
(a) Investment income		
Interest and investment revenue from:		
Financial assets	77,748	68,646
Cash and cash equivalents	44,747	23,546
Total interest income earned on financial assets that are not designated as at fair value through profit or loss	122,495	92,192
Total revenue	8,507,001	7,696,015

3. Profit for the year

Profit for the year has been arrived at after charging (crediting):

Depreciation of office equipment	8	16,728	13,900
Depreciation of office furniture & fittings	8	2,597	2,015
Depreciation of leasehold improvements	8	4,960	4,961
Depreciation of software	9	81,136	73,199
Total depreciation, amortisation and impairment expense		105,421	94,075
Operating leases expense		323,789	327,510
Net loss arising on financial assets at fair value through profit or loss		(7,069)	(18,663)
Net profit on disposal of investment		-	43,136

4. Cash and cash equivalents

	Note	2019 $	2018 $
Cash at bank		3,209,941	1,677,437
Cash on hand		-	100
	16	3,209,941	1,677,537

5. Trade and other receivables

	Note	2019 $	2018 $
Trade receivables		678,211	949,850
GST receivable		7,022	49,053
Deposits		90,443	80,821
Expected credit losses		(19,534)	-
Total trade and other receivables	16	756,142	1,079,724

6. Other assets

	Note	2019 $	2018 $
Prepayments		84,379	114,339

7. Financial assets

	Note	2019 $	2018 $
Financial assets at fair value through profit or loss (i)	16	1,190,138	1,136,142
Held-to-maturity financial assets (b)	16	1,440,729	1,682,723
Total financial assets		2,630,867	2,818,865

(a) Total current and non-current

	Note	2019 $	2018 $
Current		1,440,729	1,433,593
Non-current		1,190,138	1,385,272
		2,630,867	2,818,865

(i) Financial assets at fair value through profit or loss comprise investments in units of trusts and funds. There are no fixed returns or fixed maturity dates attached to these investments.

(b) Held-to-maturity investments

	Note	2019 $	2018 $
Term deposit - current		1,440,729	1,433,593
Term deposit - non-current		-	249,130
	16	1,440,729	1,682,723

The company holds term deposits that carry interest at fixed rate. The interest bearing deposits have a maturity date within twelve months from the reporting date.

8. Property, plant and equipment

	2019 $	2018 $
Plant and equipment		
Furniture, fixture and fittings:		
At cost	26,725	23,358
Accumulated depreciation	(17,060)	(14,463)
	9,665	8,895
Office equipment:		
At cost	209,175	178,688
Accumulated depreciation	(145,653)	(128,925)
	63,522	49,763
Leasehold Improvements:		
At cost	347,335	124,012
Accumulated depreciation	(54,803)	(49,843)
	292,532	74,169
Total plant and equipment	365,719	132,827

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 $	Leasehold Improvements $	Total $
2019				
Balance at the beginning of year	8,895	49,763	74,169	132,827
Additions	3,367	30,487	223,323	257,177
Disposals	-	-	-	-
Depreciation expense	(2,597)	(16,728)	(4,960)	(24,285)
Balance at 30 June 2019	9,665	63,522	292,532	365,719

9. Intangible assets

	2019 $	2018 $
Cost	550,002	516,207
Accumulated amortisation and impairment	(335,126)	(253,990)
Total intangibles	214,876	262,217

(a) Movements in carrying amounts

	Computer software $
2019	
Balance at the beginning of the year	262,217
Additions	33,795
Disposals	-
Amortisation	(81,136)
Closing value at 30 June 2019	214,876

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income.

10. Trade and other payables

	2019 $	2018 $
Trade payables	93,737	116,887
Sundry payables and accrued expenses	588,308	271,462
Deferred membership income	822,694	837,997
Other deferred income	760,832	639,622
	2,265,571	1,865,968

No interest is charged on the trade payables. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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

		2019	2018
Trade and other payables:		$	$
Current		2,265,571	1,865,968
Non-current		-	-
		2,265,571	1,865,968
Less deferred income		(1,583,526)	(1,477,619)
Financial liabilities as trade and other payables	17	682,045	388,349

11. Provisions

	2019 $	2018 $
Current		
Employee benefits: annual leave	120,382	70,469
Employee benefits: long service leave	510	510
	120,892	70,979
Non-current		
Employee benefits: long service leave	37,142	25,204
	37,142	25,204

	Employee benefits $
Opening balance at 1 July 2018	96,183
Additional provision	61,851
Balance at 30 June 2019	158,034

The provision for employee benefits represents annual leave and long service leave entitlements accrued and compensation claims made by employees.

12. Leasing commitments

Operating lease commitments

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

	2019 $	2018 $
Payable - minimum lease payments:		
Not later than 1 year	254,593	298,780
Later than 1 year but not later than 5 years	1,110,953	998,820
	1,365,546	1,297,600

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 five year term for an additional term of three 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 $201,995 (2018: $153,343) with respect to an agreement for 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 $90,000 with Australia and New Zealand Banking Group (2018: $110,000 and $90,000 with Commonwealth Bank of Australia and Australia and New Zealand Banking Group respectively) with respect to payroll and a BCCL facility of $100,000 with Australia and New Zealand Banking Group.

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:

	2019	**2018**
	$	**$**
Key management personnel compensation	817,294	859,887
2019: 5 employees (2018: 5 employees)		

The 5 key senior management positions remuneration is comprised of wages and salaries of $807,294 plus bonus payment of $10,000 during the year.

15. Remuneration of auditors

	2019	**2018**
	$	**$**
Audit of the financial statements	36,000	36,000

The auditor of Australian Water Association Limited is Deloitte Touche Tohmatsu.

16. Financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

Categories of financial instruments

	Note	2019 $	2018 $
Financial assets			
Cash and cash equivalents	4	3,209,941	1,677,537
Held-to-maturity investments	7(b)	1,440,729	1,682,723
Loans and receivables	5	756,142	1,079,724
Financial assets at fair value through profit or loss	7(a)	1,190,138	1,136,142
Total financial assets		6,596,950	5,576,126
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	10(a)	682,045	388,349
Total financial liabilities		682,045	388,349

Net fair values

(i) For listed 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 financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

17. Events after reporting date

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Deloitte.

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Independent Auditor's Report
to the Members of Australian Water Association Limited

Opinion

We have audited the financial report of Australian Water Association Limited (the "Entity") which comprises the statement of financial position as at 30 June 2019, the statement of profit and loss and other comprehensive income, the 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 other explanatory information, and the declaration by the directors as set out in pages 11 to 34.

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

(i) giving a true and fair view of the Entity's financial position as at 30 June 2019 and of its financial 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 for 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 Entity in accordance with 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.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Entity 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 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 ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity 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 the 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity 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.

DELOITTE TOUCHE TOHMATSU

Gaile Timperley
Partner
Chartered Accountants
Sydney,