

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2018

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

TABLE OF CONTENTS

Directors' Report	3-9
Auditor's Independence Declaration	10
Financial Statements	
~ Statement of Profit or Loss and Other Comprehensive Income	11
~ Statement of Financial Position	12
~ Statement of Changes in Equity	13
~ Statement of Cash Flows	14
~ Notes to the Financial Statements	15-30
Directors' Declaration	31
Independent Audit Report	32-33
Compilation Report	34
Detailed Statement of Profit or Loss and Other Comprehensive Income	35-36

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2018.

Directors

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

Patrick McCafferty (Chair)
John Knox (Deputy Chair)
Roch Cheroux
Louise Dudley
David Harris
Nicole Hollows
Susan Murphy
Jeffrey Rigby
Kevin Young
Adam Lovell (Executive Director)

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

Principal Activities

The principal activity of the company during the financial year was as follows.

The Water Services Association of Australia (WSAA) is the peak body of the Australian urban water industry. Its 77 members provide water and waste water services to approximately 16 million Australians and to many of our largest industrial and commercial enterprises.

Urban water service providers have a critical role in ensuring that Australians have access to adequate and high quality water services. As Australia's population continues to grow, with most of this growth occurring in cities, that role becomes increasingly important.

WSAA's vision is for Australian urban water utilities to be valued as leaders in the innovative, sustainable and cost effective delivery of water services. WSAA strives to achieve this vision by promoting knowledge sharing, networking and cooperation amongst members. WSAA identifies emerging issues and develops industry-wide responses. WSAA is the national voice of the urban water industry, speaking to government, the broader water sector and the Australian community.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

DIRECTORS' REPORT

Information on Directors

The information on directors is as follows:

Patrick McCafferty Director, WSAA

Qualifications B. Bus (Acc), EMBA, GAICD, FWCLP

Experience Patrick McCafferty was first appointed to the WSAA Board in November 2015 and appointed as Chair of the WSAA Board in November 2016. Mr McCafferty is also a member of WSAA's Audit Committee and a member of WSAA's Strategic Priorities Committee.

In a career spanning over 30 years in the water industry, Mr McCafferty has with significant experience in strategic leadership positions, including planning, regulation, finance and operations. He has also worked in the USA water sector and advised the Australian Federal Government as part of the National Water Initiative.

Mr McCafferty is Managing Director of Yarra Valley Water which provides water and sanitation services across Melbourne's eastern and northern suburbs. He is Chair of the Thriving Communities Partnership (a cross sector collaboration to improve support for vulnerable customers of essential services) and is a member of the Monash Infrastructure Advisory Council.

Special Responsibilities Chair
Audit Committee

John Knox Director, WSAA

Qualifications BFA, FCPA, MAICD

Experience John Knox was first appointed to the WSAA Board in March 2014. Mr Knox is Chair of WSAA's Customer and Industry Leadership Committee and a member of WSAA's Audit Committee and WSAA's Strategic Priorities Committee.

Mr Knox has an extensive background in private sector commercial management and experience across various business sectors. He was Chief Finance Officer of ActewAGL.

Mr Knox is the Managing Director of Icon Water which owns and operates the water and sewerage business in the ACT and is a 50% owner ActewAGL, a provider of electricity and gas services to the ACT and surrounding regional NSW centres. Mr Knox is also a member of the ActewAGL Joint Venture Partnerships Board.

Special Responsibilities Deputy Chair
Chair, Customer and Industry Leadership Committee
Audit Committee

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

Roch Cheroux	Director, WSAA
Qualifications	Masters Degree in Engineering and Business Management (Arts et Métiers ParisTech, France – 1990)
Experience	<p>Roch Cheroux was first appointed to the WSAA Board in August 2016.</p> <p>Mr Cheroux has significant experience in the water industry in design, construction, financing, operating and customer service activities in both line management and executive management positions. He was Chief Executive Officer of SUEZ for the South East Asia region and SUEZ-Degrémont Australia and New Zealand, Managing Director of United Utilities Asia and Pacific (TRILITY), and Chief Executive and Chairman of Tallinn Water in Estonia.</p> <p>Mr Cheroux is Chief Executive of SA Water which provides water and wastewater services in South Australia.</p>
Special Responsibilities	N/A

Louise Dudley	Director, WSAA
Qualifications	B.Com, CA, GAICD, FAIM
Experience	<p>Louise Dudley was first appointed to the WSAA Board in February 2013 and was Chair from November 2013 to November 2016. Ms Dudley is Chair of WSAA's Liveable Communities Committee and Chair of the WSAA Finance and Audit Committee and the WSAA Strategic Priorities Committee.</p> <p>Ms Dudley has extensive leadership and management experience through her work at advisory firm KPMG and in her role in creating Queensland Urban Utilities. She was also in senior executive roles at Brisbane City Council.</p> <p>Ms Dudley is Chief Executive Officer of Queensland Urban Utilities which delivers drinking water, recycled water and sewerage services to customers in South East Queensland. She is also Chair of Horizon Foundation (a not-for-profit focusing on people with disabilities), and a director of AMP Superannuation Limited.</p>
Special Responsibilities	Chair, Liveable Communities Committee Chair, Audit Committee

David Harris	Director, WSAA
Qualifications	BEC, LLB (Hons)
Experience	<p>David Harris was first appointed to the WSAA Board in August 2014.</p> <p>David has over 20 years' experience in the Australian water industry and has been involved in various key policy and market reforms in the water, energy and</p>

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

utilities industries over that time. He was a member of the Executive leadership of Snowy Hydro Limited.

David Harris is the CEO of WaterNSW which is the bulk water supplier for NSW, river operator and provides licenses, water trades and water information.

Special Responsibilities N/A

Nicole Hollows Director, WSAA

Qualifications Bachelor of Business (Acctg), Grad Dip (Adv. Acctg), CA, FAICD, HBS PMD76

Experience Nicole Hollows was first appointed to the WSAA Board in November 2016.

Ms Hollows is an experienced senior executive, with a career spanning more than 20 years in the resources sector. She was Managing Director of global resources firm AMCI Australia and South East Asia and Chief Executive Officer of Macarthur Coal Limited.

Ms Hollows is Chief Executive of SunWater which is the bulk water service provider in regional Queensland. She is a member of the Institute of Chartered Accountants, a fellow of the Australian Institute of Company Directors and a Graduate of Harvard Business School's Program for Management Development. She is the Chair of the Salvation Army Brisbane Red Shield Appeal Committee, an advisory committee member of the Salvation Army Queensland Advisory Council, a member of the CEO Advisory Committee for Dean of QUT Business School and a non-executive Director of Downer EDI Limited.

Special Responsibilities N/A

Susan Murphy Director, WSAA

Qualifications BEng (Hons), CP Eng, FIE Aust, GAICD

Experience Susan Murphy was first appointed to the WSAA Board in November 2008 and was Chair from November 2011 to November 2013.

Ms Murphy has a distinguished career in both the private and public sector and has been listed as one of the top 100 most influential engineers in Australia by Engineers Australia from 2009-2015. In 2014, Sue was presented with the IWA's "International" Women in Water Award and listed at number 8 of the 2017 "Top 25 Global Water Leaders" by Water and Wastewater International Magazine. She had a long career in the private sector in engineering construction at Clough Engineering.

Ms Murphy is Chief Executive Officer of the Water Corporation which provides water, wastewater and drainage services in Western Australia. She is also a Member of the University of Western Australia Senate, Board Member of the UWA Business School and Board Member for the AFL Fremantle Dockers. She is an Honorary Fellow of the Institution of Engineers Australia and Fellow of the Australian Academy of Technological Sciences & Engineering.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

Special Responsibilities N/A

Jeff Rigby Director, WSAA

Qualifications BE (Civil), MEngSc, MBA, FIEAust, CPEng, EngExec, NER, FAICD, FGIA, FCIS, MIPAA

Experience Jeff Rigby was first appointed to the WSAA Board in November 2015.

Mr Rigby is a public sector governance professional and has over 30 years of experience in the water industry. He was the inaugural Managing Director of Grampians Wimmera Mallee Water.

Mr Rigby is Managing Director of Coliban Water which provides water and wastewater services to rural and urban customers in North Central Victoria. He is also a Board Director of VicWater, the State association for the water utility sector and a Board Director of Castlemaine Health.

Special Responsibilities N/A

Kevin Young Director, WSAA

Qualifications B Eng (Hons), MBA, FIE Aust, CPENG, FAICD

Experience Kevin Young was appointed to the WSAA Board in November 2006 and was Chair from November 2009 to November 2011. Mr Young is also Chair of WSAA's Utility Excellence Committee and a member of WSAA's Strategic Priorities Committee.

Mr Young has over 35 years experience working for the private sector and Government authorities in Australia and overseas with extensive experience in the water industry. He was Managing Director of Hunter Water Corporation and also worked in private consulting in Australia and overseas.

Mr Young is Managing Director of Sydney Water Corporation which supplies water, wastewater, recycled water and some stormwater services to Sydney, the Illawarra and the Blue Mountains. He is also a Director of WaterAid Australia, a Fellow of the Institution of Engineers Australia and a Fellow of the Australian Institute of Company Directors.

Special Responsibilities Chair, Utility Excellence Committee

Adam Lovell Executive Director, WSAA

Qualifications BSc Hons (Chem), MES Environmental Engineering Science

Experience Adam Lovell was first appointed to the WSAA Board when he became Executive Director of WSAA in June 2011.

Mr Lovell has over 20 years experience in the water industry and leading strategy and policy development across a broad range of areas. He was Manager, Science and Sustainability at WSAA and part of the Science and Technology group at Sydney Water.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

Meetings of Directors

Directors	Director's Meetings	
	Number eligible to attend	Number attended
Patrick McCafferty (Chair)	6	6
Adam Lovell	6	6
David Harris	6	5
Jeff Rigby	6	6
John Knox	6	6
Kevin Young	6	5
Louise Dudley	6	5
Nicole Hollows	6	5
Roch Cheroux	6	6
Susan Murphy	6	6

Members Guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. There were a total 77 members (2017: 74) for the financial year ended 30 June 2018. The total amount that members of the company are liable to contribute if the company is wound up is \$770.

Significant changes in the state of affairs

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

Matters subsequent to end of the financial year

No circumstances have arisen since 30 June 2018 that have significantly affected, or may significantly affect:

- the entity's operations in future financial years;
- the results of those operations in future financial years;
- the entity's state of affairs in future financial years.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

Insurance of officers and directors

During the year, WSAA paid a premium of \$4,638 (30 June 2017: \$3,959) in respect of a contract insuring the Directors and officers of WSAA.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of WSAA, other than where such liabilities arise out of conduct involving wilful breach of duty by the officers or the improper use by the officers of their position. The policy also applies if a claim is made against directors or officers after they have left the service of WSAA, where the claim was over events during the directors' WSAA service.

No claim has been made against the officers and directors insurance policy during the 2017-18 financial year.

Indemnity of officers and directors

WSAA has indemnified directors and officers of WSAA against liabilities and legal costs arising in the course of their duties. This includes as a director appointed by WSAA to serve on the board of a company or partnership that is part owned directly or indirectly by WSAA, to the extent permitted by the *Corporations Act 2001*. This indemnity is to operate only where and to the extent that the director or officer is unable to require an insurer to meet the damage, liability, cost, loss or expense.

No liability has arisen under these indemnities as at the date of this report.

Proceedings on behalf of company

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

Signed for and on behalf of, and in accordance with a resolution of, the board of directors.

Director



Patrick McCafferty

Director



Adam Lovell

Dated this 18 day of October 2018

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

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



McLean Delmo Bentleys Audit Pty Ltd



Martin Fensome
Partner

Hawthorn
18 October 2018

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
Continuing operations			
Sales revenue	2	-	-
Other revenues	2	<u>7,626,568</u>	<u>9,673,636</u>
		<u>7,626,568</u>	<u>9,673,636</u>
Occupancy expenses		(312,137)	(295,464)
Administrative expenses		(3,330,958)	(3,257,923)
Consultants & contractors		(813,854)	(691,409)
Subscription projects		(2,298,127)	(4,490,357)
Travel & accommodation		(295,778)	(267,939)
Dues & subscriptions		(540,425)	(484,107)
Conference & seminars		<u>(16,151)</u>	<u>(43,653)</u>
Profit before income tax			
	3	19,138	142,784
Income tax expense	1 (a)	<u>-</u>	<u>-</u>
Profit for the year		<u>19,138</u>	<u>142,784</u>
Total comprehensive profit for the year		<u>19,138</u>	<u>142,784</u>
Profit attributable to members of the company		<u>19,138</u>	<u>142,784</u>
Total comprehensive profit attributable to members of the company		<u>19,138</u>	<u>142,784</u>

The accompanying notes form part of these financial statements.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	6	2,154,085	1,786,959
Trade and other receivables	7	1,110,828	842,523
Other financial assets	8	2,091,439	2,035,422
Other current assets	9	180,974	74,985
TOTAL CURRENT ASSETS		<u>5,537,326</u>	<u>4,739,889</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	139,403	145,304
Intangible assets	11	64,057	92,951
TOTAL NON-CURRENT ASSETS		<u>203,460</u>	<u>238,255</u>
TOTAL ASSETS		<u>5,740,786</u>	<u>4,978,144</u>
CURRENT LIABILITIES			
Trade and other payables	12	211,781	106,475
Short-term provisions	13	572,989	444,294
Other current liabilities	14	2,652,952	2,141,000
TOTAL CURRENT LIABILITIES		<u>3,437,722</u>	<u>2,691,769</u>
NON-CURRENT LIABILITIES			
Long-term provisions	13	58,946	61,395
TOTAL NON-CURRENT LIABILITIES		<u>58,946</u>	<u>61,395</u>
TOTAL LIABILITIES		<u>3,496,668</u>	<u>2,753,164</u>
NET ASSETS		<u>2,244,118</u>	<u>2,224,980</u>
EQUITY			
Retained earnings		2,244,118	2,224,980
TOTAL EQUITY		<u>2,244,118</u>	<u>2,224,980</u>

The accompanying notes form part of these financial statements.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Earnings \$	Total \$
Balance at 1 July 2016	2,082,196	2,082,196
Profit for the year	<u>142,784</u>	<u>142,784</u>
Total comprehensive profit for the year	<u>142,784</u>	<u>142,784</u>
Balance at 30 June 2017	<u>2,224,980</u>	<u>2,224,980</u>
Profit for the year	<u>19,138</u>	<u>19,138</u>
Total comprehensive profit for the year	<u>19,138</u>	<u>19,138</u>
Balance at 30 June 2018	<u>2,244,118</u>	<u>2,244,118</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

	Notes	2018 \$	2017 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		7,813,197	8,796,394
Payments to suppliers and employees		(7,413,608)	(9,694,684)
Interest received		83,332	90,233
Net cash (used in)/provided by operating activities	15	<u>482,921</u>	<u>(808,057)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Receipt from/(Payment for) other financial asset		(56,017)	(30,162)
Payment for property, plant and equipment		(59,778)	(36,309)
Net cash provided by/(used in) investing activities		<u>(115,795)</u>	<u>(66,471)</u>
Net (decrease) / increase in cash held		367,126	(874,528)
Cash at beginning of financial year		<u>1,786,959</u>	<u>2,661,487</u>
Cash at end of financial year	6	<u>2,154,085</u>	<u>1,786,959</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Water Services Association of Australia Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and interpretations issued by the Australian Accounting Standards Board. The company is not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

(i) Early adoption of standards

The directors have not elected under s334(5) of the *Corporations Act 2001* to early adopt any new Australian Accounting Standard in the current year.

(ii) New and amended accounting standards adopted by the Entity

The adoption of all new accounting standards, amendments to standard interpretations that were issued prior to sign off date and are applicable to current or future financial reporting period, are not expected to have a material impact.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurements at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue by the directors of the entity on the date of the directors' report.

Accounting Policies

(a) Income Tax

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

(b) Inventories

Inventories of publications are measured at the lower of cost and net realisable value. Work in progress included in inventories consists of work incurred on projects which will be billed on completion of the project.

(c) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not impaired.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a diminishing basis over their useful lives to the entity commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, Plant and Equipment (continued)

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

Class of fixed asset	Depreciation rates
Leasehold improvements	over the life of the lease
Plant and equipment	40%
Furniture, fixtures and fittings	15%
Computer software	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (continued)

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

(iv) Available-for-sale financial assets

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

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

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (continued)

Derecognition

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

(e) 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(f) Provisions

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

(g) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, which are subject to insignificant risk of changes in value, and bank overdrafts.

For the purpose of financial statement presentation, bank overdrafts are included in current liabilities.

(h) Revenue

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

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(j) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership, that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Intangible assets – Website Development

Website development is recorded at cost. Website development has a finite life and is carried at cost less accumulated amortisation and any impairment losses. It has an estimated life of five years and is assessed annually for impairment.

(m) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Critical Accounting Estimates and Judgments

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

Key estimates — Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for plant and equipment for the year.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
NOTE 2: REVENUE			
Sales revenue:			
Publication sales		-	-
Other revenue:			
Product sales		527,222	498,916
Members fees		4,390,921	4,279,380
Subscription projects		2,298,127	4,490,357
Interest		83,332	90,233
Other revenue		326,966	314,750
Total revenue		<u>7,626,568</u>	<u>9,673,636</u>
NOTE 3: PROFIT BEFORE INCOME TAX			
(a) Expenses			
Depreciation and amortisation expense		75,405	121,611
Doubtful debts		(58,067)	42,620
Rental expense on operating leases:			
Minimum lease payments		311,622	294,885
Loss on disposal of Plant & Equipment		19,168	198
(b) Significant revenues and expenses			
Consultants and contractors		813,854	691,409
NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION			
The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:			
Short-term employee benefits		373,759	345,885
Post-employment benefits		48,293	45,877
Total compensation		<u>422,052</u>	<u>391,762</u>
NOTE 5: AUDITORS' REMUNERATION			
Remuneration of the auditor of the company for auditing or reviewing the financial statements:			
- audit services by current year auditor		13,389	17,136
		<u>13,389</u>	<u>17,136</u>

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
NOTE 6: CASH AND CASH EQUIVALENTS			
Cash at bank		2,154,085	1,786,959
		<u>2,154,085</u>	<u>1,786,959</u>
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		2,154,085	1,786,959
		<u>2,154,085</u>	<u>1,786,959</u>
NOTE 7: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		1,119,114	725,351
Provision for impairment		(8,286)	(66,353)
		<u>1,110,828</u>	<u>658,998</u>
Prepayments		-	106,554
GST receivable		-	76,971
Total current trade and other receivables		<u>1,110,828</u>	<u>842,523</u>
NOTE 8: OTHER FINANCIAL ASSETS			
CURRENT			
Term deposits (with an original maturity of more than 3 months)		<u>2,091,439</u>	<u>2,035,422</u>

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
NOTE 9: OTHER CURRENT ASSETS			
CURRENT			
Prepayments		180,974	74,985
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
LAND & BUILDINGS			
At cost		9,215	9,215
Less accumulated amortisation		(1,363)	(1,133)
		7,852	8,082
LEASEHOLD IMPROVEMENTS			
At cost		21,474	199,125
Less accumulated amortisation		(9,236)	(182,269)
		12,238	16,856
PLANT & EQUIPMENT			
a) Plant & equipment		121,490	287,890
At cost		(58,190)	(217,957)
Less accumulated depreciation		63,300	69,933
b) Furniture, fixtures & fittings			
At cost		101,864	116,430
Less accumulated depreciation		(62,136)	(86,353)
		39,728	30,077
c) Computer Software			
At cost		38,407	38,407
Less accumulated depreciation		(22,122)	(18,051)
		16,285	20,356
Total plant & equipment		119,313	120,366
Total property, plant and equipment		139,403	145,304

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Notes

2018

2017

\$

\$

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)

(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

	Land & Buildings	Leasehold Improvements	Plant & equipment	Furniture, Fixtures & Fittings	Computer Software
				\$	
Balance at the 30 June 2017	8,082	16,856	69,933	30,077	20,356
Additions	-	-	35,215	24,563	-
Disposals	-	-	(9,052)	(10,116)	-
Depreciation expense	(230)	(4,618)	(32,796)	(4,796)	(4,071)
Balance at the 30 June 2018	7,852	12,238	63,300	39,728	16,285

	Total
	\$
Balance at the 1 July 2017	145,304
Additions	59,778
Disposals	(19,168)
Depreciation expense	(46,511)
Balance at the 30 June 2018	139,403

NOTE 11: INTANGIBLE ASSETS

WEBSITE DEVELOPMENT

At cost	130,286	130,286
Less accumulated amortisation	(66,229)	(37,335)
	64,057	92,951

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of intangible asset between the beginning and the end of the current financial year

	Website Development
Balance at the 1 July 2017	92,951
Additions	-
Disposals	-
Amortisation expense	(28,894)
Balance at the 30 June 2018	64,057

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
NOTE 12: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	81,915	14,714
GST payable	20,263	-
Sundry payables and accrued expenses	109,603	91,761
	<u>211,781</u>	<u>106,475</u>

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

Trade and other payables		
— Total current	211,781	106,475
— Total non-current	-	-
Financial liabilities as trade and other payables	<u>211,781</u>	<u>106,475</u>

NOTE 13: PROVISIONS

Opening balance at beginning of financial year	505,689	413,976
Movement in provisions during year	126,246	91,713
Balance at end of financial year	<u>631,935</u>	<u>505,689</u>

Analysis of Total Provisions

Current	572,989	444,294
Non-current	58,946	61,395
	<u>631,935</u>	<u>505,689</u>

Provision for Employee Benefits

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

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

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

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to these financial statements.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
NOTE 14: OTHER LIABILITIES			
CURRENT			
Income received in advance	14 (a)	16,540	70,205
Subscription and third party funded project income received in advance	14 (b)	<u>2,636,412</u>	<u>2,070,795</u>
		<u>2,652,952</u>	<u>2,141,000</u>

(a) Included in project liabilities in the 2018 and 2017 financial years respectively are the following:

Project name	2018 \$	2017 \$
Membership fees	16,540	28,750
Design Assurance Scheme	<u>-</u>	<u>41,455</u>
Total	<u>16,540</u>	<u>70,205</u>

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 14: OTHER LIABILITIES (continued)

(b) Included in Subscription and third party funded project income received in advance in the 2018 and 2017 financial years respectively are the following:

Project name	2018 \$	2017 \$
Smart Approved Watermark	269,948	128,588
Health & Safety	97,518	64,809
Efficiency Benchmarking	13,265	22,645
National Knowledge portal	5,822	6,622
JWWA Project	77,826	39,169
People culture control	49,395	61,681
Customer service benchmarking	643	6,043
AM Customer Projects	-	137,272
SCADA Guidelines Edition 2	103,285	149,584
Cond Assess	112,249	222,538
Decentralised Service	39,064	33,144
Challenging Design assumptions	2,396	6,396
Workforce Skills of the future	-	104,211
Australian Water Partnerships	88,480	47,045
KOBE	2,328	2,328
Dam Owners Benchmarking	7,244	39,020
Pipe Condition Works Program	(3,447)	(929)
AC Pipe Research	30,000	30,000
Customer Perceptions	37,306	105,000
Customer Industry/Urban Water	98,817	67,106
Quantifying Health Benefits	81,733	15,000
Asset Investment Optimisation	233,031	5,000
Research & Innovation Account	61,520	61,520
TAG Membership	17,147	25,637
Water Main Renewal Planning	45,809	78,852
Energy Benchmarking	3,613	21,242
Healthy Liveable Account	144,602	147,417
Asset Management account	203,368	443,855
Innovative Pipe Linings	475,823	-
AC & CI Pipe Rehab	120,299	-
Opex Benchmarking	56,701	-
Customer Channel Migration	32,508	-
Leading Water Utility Innovation	15,160	-
Improving Energy Outcomes	17,100	-
Design Assurance Competency	95,859	-
	2,636,412	2,070,795

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<hr/>		
NOTE 15: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	19,138	142,784
Non-cash flows in profit:		
Depreciation and amortisation expense	75,405	121,611
Net loss on disposal of property, plant and equipment	19,168	198
Changes in assets and liabilities:		
(Increase)/decrease in receivables and other assets	(374,294)	148,780
Increase/(decrease) in payables	617,258	(1,313,143)
Increase/(decrease) in provisions	126,246	91,713
Cash flows (used in)/from operations	<u>482,921</u>	<u>(808,057)</u>

NOTE 16: MEMBERS GUARANTEE

The Company is limited by guarantee. If the Company is wound up the company constitution states that each member is required to contribute a maximum of \$10 (2017: \$10) each towards meeting any outstanding obligations of the Company. There were a total of 77 (2017: 74) members for the financial year ended 30 June 2018.

NOTE 17: RELATED PARTY TRANSACTIONS

The directors are also board members of various water service related companies which are members of Water Services Association of Australia Limited. These transactions between related parties are on normal commercial terms and conditions are no more favourable than those available to other parties unless otherwise stated.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
NOTE 18: FINANCIAL RISK MANAGEMENT			
(a) Financial Risk Management			
The Company's financial instruments consist mainly of deposits with banks, accounts receivables and accounts payable.			
The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:			
Financial assets			
Cash and cash equivalents		2,154,085	1,786,959
Trade receivables		1,110,828	842,523
Other financial assets		2,091,439	2,035,422
Total financial assets		<u>5,356,352</u>	<u>4,664,904</u>
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables		211,781	106,475
Total financial liabilities		<u>211,781</u>	<u>106,475</u>
NOTE 19: CAPITAL AND LEASING COMMITMENTS			
a) Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements			
Payables – minimum lease payments			
- not later than 12 months		324,121	318,788
- between 12 months and 5 years		547,007	871,128
		<u>871,128</u>	<u>1,189,916</u>
The lease for the Melbourne premise is a 4 year lease which expires on 30 June 2020.			
The lease for the Sydney premise is a 5 year lease which expires on 30 November 2021.			
b) Operating Research commitments contracted for:			
Payables – minimum payments			
- not later than 12 months		1,009,440	1,405,721
- between 12 months and 5 years		1,184,661	3,065,229
		<u>2,194,101</u>	<u>4,470,950</u>
Commitments consist of contractual obligations for the company's operations and research projects (both existing and anticipated projects).			

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 20: EVENTS AFTER THE REPORTING DATE

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

NOTE 21: CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities or contingent assets existing at the date of this report. The company is not involved in any material, legal or arbitration proceedings and, so far as directors are aware, no such proceedings are pending or threatened against the company.

NOTE 22: COMPANY DETAILS

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

Water Services Association of Australia Limited
Level 8
401 Docklands Drive
DOCKLANDS VIC 3008

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 to 30 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Director



Patrick McCafferty

Director



Adam Lovell

Dated this 18 day of October 2018

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

Opinion

We have audited the financial report of Water Services Association of Australia Limited, which comprises the statement of financial position as at 30 June 2018, the statement comprehensive income, statement of changes in equity and 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 directors' declaration.

In our opinion, the financial report of Water Services Association of Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Entity's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, and the *Corporations Regulations 2001*.

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.

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*, which has been given to the directors as at the time of this auditor's report.

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 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 *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
(CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

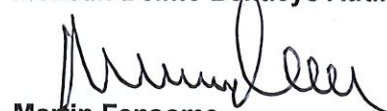
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 management.
- Conclude on the appropriateness of management's 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 those charged with governance 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.



McLean Delmo Bentleys Audit Pty Ltd



Martin Fensome
Partner

Hawthorn
19 October 2018

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2018 FINANCIAL STATEMENTS

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
INCOME		
Publication sales	-	-
Product sales	527,222	498,916
Members fees	4,390,921	4,279,380
Subscription projects	2,298,127	4,490,357
Interest income	83,332	90,233
Workshop income	105,751	113,674
Other income	<u>221,215</u>	<u>201,076</u>
TOTAL INCOME	<u>7,626,568</u>	<u>9,673,636</u>
EXPENDITURE		
Accounting fees	47,708	40,400
Audit fees	13,389	17,136
Bad debts	10,785	7,764
Bank charges	17,027	16,739
Computer expenses	137,905	146,428
Consultancy fees	799,134	683,399
Conferences and seminars	16,151	43,652
Depreciation and amortisation expense	75,405	121,611
Doubtful debts	(58,067)	42,620
Electricity	13,525	22,467
Financial Support	10,000	10,000
Fringe benefits tax	-	-
General expenses	120,257	84,947
Holiday pay	126,245	91,712
Insurance	14,030	12,921
Legal costs	6,515	70,032

These financial statements should be read in conjunction with the attached compilation report.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2018 FINANCIAL STATEMENTS (CONTINUED)

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Loss on disposal/revaluation of non-current assets	19,168	198
Postage	619	682
Printing and stationery	25,105	15,903
Refunds	-	-
Rent	312,137	295,465
Repairs and maintenance	4,174	840
Salaries and wages	2,136,043	1,937,913
Staff amenities	4,955	4,180
Staff training and welfare	21,711	33,650
Subscription project expense	2,298,127	4,490,357
Subscriptions	540,425	484,107
Superannuation	221,275	214,596
Target based reward	248,571	231,161
Telephone	41,125	54,714
Travelling expenses	295,778	267,939
Workshop expenses	88,158	87,319
Currency exchange loss	49	-
TOTAL EXPENDITURE	<u>7,607,430</u>	<u>9,530,852</u>
OPERATING PROFIT	<u>19,138</u>	<u>142,784</u>

These financial statements should be read in conjunction with the attached compilation report.

**COMPILATION REPORT
TO THE DIRECTORS OF
WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED**

We have compiled the accompanying special purpose financial statements of Water Services Association of Australia Limited, which comprise the detailed statement of comprehensive income on pages 35 to 36, for the year then ended 30 June 2018. The specific purpose for which the special purpose financial statements have been prepared is to provide private information to the directors.

The Responsibility of The Directors

The directors of Water Services Association of Australia Limited are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the financial reporting framework used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.



McLean Delmo Bentleys Audit Pty Ltd



Martin Fensome
Partner

Hawthorn

19 October 2018