



WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2015

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

TABLE OF CONTENTS

Directors' Report	3-8
Auditor's Independence Declaration	9
Financial Statements	
~ Statement of Profit or Loss and Other Comprehensive Income	10
~ Statement of Financial Position	11
~ Statement of Changes in Equity	12
~ Statement of Cash Flows	13
~ Notes to the Financial Statements	14-34
Directors' Declaration	35
Independent Audit Report	36-37
Compilation Report	38
Detailed Statement of Profit or Loss and Other Comprehensive Income	39-40

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2015.

Directors

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

Louise Dudley (Chair)
John Ringham (Deputy Chair)
Anne Barker
James Grayson
Susan Murphy
Kevin Young
John Knox
Michael Wandmaker (Appointed November 2014)
David Harris (Appointed August 2014)
Adam Lovell
Paul Pretto (Resigned November 2014)

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 31 members and 34 associate 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:

Louise Dudley

- Director, WSAA
- Qualifications B.Com, CA, GAICD, FAIM
- Experience – Louise was appointed Chief Executive Officer of Queensland Urban Utilities on 1 July 2012, and was a part of the organisation since it was formed on 1 July 2010. Louise previously held the position of Chief Financial Officer and played a key role in the creation of Queensland Urban Utilities during her time as Executive Manager, Water Retail, Brisbane City Council. Prior to moving to QUU, Louise enjoyed a seven year career with Brisbane City Council in senior management positions including Director of Finance and Legal Water Transition Program; Chief Procurement Officer; and Commercial Manager Information, Communication and Technology Division and spent 17 years with leading accounting and advisory firm KPMG, and was in a senior role with PresCare.
- Special Responsibilities – Chair

John Ringham

- Director, WSAA
- Qualifications – BSc (Hons), MBA, Dip Geotech (UK) CEng, FIEAust, MICE, MCIWEM, MAICD
As Chief Executive of SA Water, John Ringham is also a member of the Board.
- Experience – John Ringham has over 40 years' experience in the water industry. John held numerous senior management positions with the UK Company, United Utilities, formerly North West Water, John has experience in the areas of water resourcing, water supply and distribution and capital planning as well as in change management and international bidding.

In November 2000 John was appointed Head of Water Services, and later Chief Operating Officer of the South Australian Water Corporation (SA Water), with responsibility for water supply and wastewater service delivery to SA Water's customers. John was promoted to the position of Chief Executive of SA Water in December 2010. He is also a Director and Deputy Chair of WaterAid Australia.
- Special Responsibilities Deputy Chair

DIRECTORS' REPORT

Information on Directors (continued)

- Anne Barker** – Director, WSAA
- Qualifications – LLB, MAICD
- Experience – Anne is the Managing Director of City West Water, one of Melbourne's three water retailers, with a licence area which encompasses the CBD, the Brooklyn/Laverton industrial precinct and the Werribee growth area. Anne joined City West Water in 2002 and previously worked in a number of different industries including retail, banking, manufacturing and energy in a variety of roles from lawyer to heading up the pricing team in a regulated energy business. She was a member of the WSAA Board for three years until 2007, and is currently Chair of the merged charities Whitelion and Open Family Australia.
- Special Responsibilities – Chair, People and Capability Committee
-
- James Grayson** – Director, WSAA
- Qualifications – LLB, LLM, ACIS, PGradDipComm
- Experience – Jim has been the Chief Executive Officer of Gladstone Area Water Board (GAWB) since early 2006, having joined GAWB in 2003. Prior to joining GAWB Jim worked as a Solicitor in private legal practice and with the Australian Securities and Investments Commission. Jim is a Fellow of the Financial Services Institute of Australia. Jim served on the Board of the Gladstone Economic Industry Development Board from 2006 to 2012 and as a member of the advisory Board of the University of Central Queensland - Centre for Environmental Management. He was Chair of the AWA Water Management Law and Policy Specialist Network committee from 2012 to 2014 and is a member of the advisory panel for the Gas Industry Social and Environmental Alliance.
- Special Responsibilities – Chair, Healthy Liveable Communities Committee
-
- Adam Lovell** – Executive Director, WSAA
- Qualifications – Bachelor of Science Education (Chemistry) Sydney University, Master of Environmental Engineering Science Sydney University
- Experience – Adam Lovell was appointed as Executive Director of WSAA in June 2011. Prior to taking up his current position, Adam was the Manager, Science and Sustainability at the Water Services Association of Australia. In this role he led national water utility strategy and policy development in areas including climate change adaptation and mitigation, water efficiency, water quality and regulation, and sustainability planning, analysis and reporting. He was previously at Sydney Water for 11 years in the Science and Technology group.
- Adam is currently a Board member for the National Centre of Excellence for Desalination, and a member of the National Health and Medical Research Council Water Quality Advisory Committee, a committee responsible for the development of water quality guidelines in Australia.
- Director, WSAA

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

Susan Murphy

- Qualifications – Bachelor of Engineering (Honours) University of Western Australia
- Experience – Sue was appointed Chief Executive Officer of the Water Corporation in 2008 after a long career in the private sector in engineering construction. Sue is a Member of the University of WA Senate and Board Member of the UWA Business School. Honorary Fellow of the Institution of Engineers Australia and Fellow of the Australian Academy of Technological Sciences & Engineering. Sue has been listed in the top 100 most influential engineers in Australia by Engineers Australia in each year from 2009 – 2015.
- Special Responsibilities – Chair, Customer and Industry Policy Committee

Kevin John Young

- Qualifications – Director, WSAA
– Kevin Young has a degree with honours in engineering and a Master of Business Administration. Kevin is a Fellow of the Institution of Engineers Australia and a Fellow of the Australian Institute of Company Directors.
- Experience – Kevin is currently the Managing Director at Sydney Water Corporation and prior to this was the Managing Director at Hunter Water Corporation for seven years. Kevin has over 30 years of experience working in private consulting both in Australia and overseas and working for Government utilities.
- Special Responsibilities – Chair, Asset Management Committee

John Knox

- Qualifications – Director, WSAA
– Bachelor of Financial Administration, University of New England, Fellow of CPA Australia and a Member of the Australian Institute of Company Directors.
- Experience – John is the Managing Director of Icon Water. He is a director on the Icon Water Limited Board and its subsidiary companies and a member of the ActewAGL Joint Venture Partnerships Board.
- Special Responsibilities – NA

Michael Wandmaker

- Qualifications – Director, WSAA
– Bachelor of Engineering, Mechanical and Computing. Fellow of Institute of Engineers.
- Experience – Michael is Managing Director of Melbourne Water. Michael has extensive senior leadership experience across several industries, both in Australia and Internationally. He was previously President of FT Services, CEO of Silcar maintenance Services, Vice President at Siemens Canada Ltd and held various executive positions with Tyco Services and Transfield Holdings Pty Ltd. Prior to becoming Managing Director at Melbourne Water, Mr Wandmaker was Group President and Acting CEO of UGL Limited's engineering, construction and maintenance division.
- Special Responsibilities – NA

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

DIRECTORS' REPORT

Information on Directors (continued)

David Harris – Director, WSAA
Qualifications – Bachelor of Economics, LLB (Hons)
Experience – David Harris is the CEO of WaterNSW. Previously David was for a short time CEO of both State Water Corporation and the Sydney Catchment Authority, the two entities that were merged to form WaterNSW. 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 utilities industries over that time. From 2002 to 2013 David was a key member of the Executive leadership of Snowy Hydro Limited.
Special Responsibilities – NA

Paul Pretto
(Resigned November 2014) – Director, WSAA
Qualifications – Bachelor of Dental Science, University of Melbourne
– Bachelor of Engineering (Honours), University of Melbourne
– Bachelor of Commerce, University of Melbourne
– Doctor of Philosophy (Environmental Engineering), University of Melbourne
Experience – Paul has 21 years' engineering experience in the water industry, including key roles in research, resource assessment, regulation and large infrastructure planning and management. He was appointed to the position of General Manager, Asset Planning, at Melbourne Water in May 2008. In February 2014 he was appointed to the position of Acting Managing Director at Melbourne Water.

Meetings of Directors

Directors	Director's Meetings	
	Number eligible to attend	Number attended
Louise Dudley (Chair)	4	3
John Frederick Ringham	4	4
Adam John Lovell	4	4
Kevin John Young	4	4
Michael Wandmaker	3	2
David Harris	4	3
Susan Murphy	4	4
Anne Barker	4	3
James Grayson	4	4
John Knox	4	3
Paul Pretto	1	1

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 of 64 members (2014: 31) for the financial year ended 30 June 2015. The total amount that members of the company are liable to contribute if the company is wound up is \$310.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

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 9.

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

Director _____
Louise Dudley

Director _____
Adam Lovell

Dated this day of 2015

AUDITOR'S INDEPENDENCE DECLARATION

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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 2015

	Notes	2015 \$	2014 \$
Continuing operations			
Sales revenue	2	2,289	1,650
Other revenues	2	<u>7,295,434</u>	<u>7,676,245</u>
		<u>7,297,723</u>	<u>7,677,895</u>
Cost of sales		-	(48,295)
Occupancy expenses		(237,148)	(252,309)
Administrative expenses		(3,065,462)	(2,686,041)
Consultants & contractors		(428,576)	(530,411)
Subscription projects		(2,647,120)	(2,499,407)
Travel & accommodation		(238,416)	(242,220)
Dues and subscriptions		(585,249)	(744,401)
Conference & seminars		<u>(19,080)</u>	<u>(8,482)</u>
Profit/(loss) before income tax	3	76,672	666,329
Income tax expense	1 (a)	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>76,672</u>	<u>666,329</u>
Total comprehensive profit for the year		<u>76,672</u>	<u>666,329</u>
Profit/(loss) attributable to members of the company		<u>76,672</u>	<u>666,329</u>
Total comprehensive profit attributable to members of the company		<u>76,672</u>	<u>666,329</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 2015

	Notes	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	6	3,315,081	3,593,417
Trade and other receivables	7	495,402	551,214
Other financial assets	8	624,918	-
Other current assets	9	57,739	15,444
TOTAL CURRENT ASSETS		<u>4,493,140</u>	<u>4,160,075</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	203,017	316,907
TOTAL NON-CURRENT ASSETS		<u>203,017</u>	<u>316,907</u>
TOTAL ASSETS		<u>4,696,157</u>	<u>4,476,982</u>
CURRENT LIABILITIES			
Trade and other payables	11	228,661	357,845
Short-term provisions	12	369,832	247,641
Other current liabilities	13	2,234,711	2,056,942
TOTAL CURRENT LIABILITIES		<u>2,833,204</u>	<u>2,662,428</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	10,360	38,652
TOTAL NON-CURRENT LIABILITIES		<u>10,360</u>	<u>38,652</u>
TOTAL LIABILITIES		<u>2,843,654</u>	<u>2,701,080</u>
NET ASSETS		<u>1,852,593</u>	<u>1,775,902</u>
EQUITY			
Retained earnings		1,852,593	1,775,902
TOTAL EQUITY		<u>1,852,593</u>	<u>1,775,902</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 2015

	Retained Earnings \$	Total \$
Balance at 1 July 2013	1,109,573	1,109,573
Profit for the year	<u>666,278</u>	<u>666,278</u>
Total comprehensive profit for the year	<u>666,278</u>	<u>666,278</u>
Balance at 30 June 2014	<u>1,775,921</u>	<u>1,775,921</u>
Profit for the year	<u>76,672</u>	<u>76,672</u>
Total comprehensive profit for the year	<u>76,672</u>	<u>76,672</u>
Balance at 30 June 2015	<u>1,852,593</u>	<u>1,852,593</u>

The accompanying notes form part of these financial statements.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		8,603,359	8,913,803
Payments to suppliers and employees		(8,340,370)	(7,929,710)
Interest received		93,401	103,064
Net cash provided by operating activities	14	356,390	1,087,157
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for other financial asset		(624,918)	-
Payment for property, plant and equipment		(9,808)	(161,620)
Net cash used in investing activities		(634,726)	(161,620)
Net (decrease) / increase in cash held		(278,336)	925,537
Cash at beginning of financial year		3,593,417	2,667,880
Cash at end of financial year	6	3,315,081	3,593,417

The accompanying notes form part of these financial statements.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Water Services Association of Australia Limited as an individual entity, incorporated and domiciled in Australia. Water Services Association of Australia Limited is a company limited by guarantee.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations), the Corporations Act 2001, and comply with other requirements of the law. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

Material accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated.

(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 2015

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 2015

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 2015

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 2015

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) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will be applicable retrospectively (subject to the comment on hedge accounting below) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable for annual reporting periods commencing on or after 1 January 2017).

This Standard, when effective, will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of AASB 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step model:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognise revenue when (or as) the performance obligation is satisfied.

AASB 15 also requires enhanced disclosures regarding revenues.

This Standard will require retrospective restatement and is available for early adoption.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impacts.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
NOTE 2: REVENUE			
Sales revenue:			
Publication sales		2,289	1,650
Other revenue:			
Product sales		469,510	450,872
Members fees		3,936,396	3,853,916
Research contributions		-	237,441
Subscription projects		2,651,624	2,596,057
Interest		93,401	103,064
Other revenue		144,503	434,895
Total revenue		7,297,723	7,677,895

NOTE 3: PROFIT/(LOSS) BEFORE INCOME TAX

(a) Expenses

Depreciation of non-current assets	123,698	68,612
Doubtful debts/(written back)	(20,285)	19,108
Bad debts/(written back)	9,118	1,928
Rental expense on operating leases:		
Minimum lease payments	237,148	252,309
Loss on disposal of Plant & Equipment	-	2,629

(b) Significant revenues and expenses

Consultants and contractors	428,576	530,411
-----------------------------	---------	---------

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	328,219	339,340
Post-employment benefits	40,505	27,083
Total compensation	368,724	366,423

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for auditing or reviewing the financial statements:

- audit services by current year auditor	12,700	-
- audit services by prior year auditor	-	12,700
	12,700	12,700

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
<hr/>			
NOTE 6: CASH AND CASH EQUIVALENTS			
Cash on hand		-	117
Cash at bank		2,005,698	1,712,297
Term deposits		1,309,383	1,881,003
		<u>3,315,081</u>	<u>3,593,417</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		<u>3,315,081</u>	<u>3,593,417</u>
		<u>3,315,081</u>	<u>3,593,417</u>

Included in cash and cash equivalents are balances relating to several projects funds amounting to \$81,827 (2014: \$134,254).

NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables		464,957	479,097
Provision for impairment		<u>(16,790)</u>	<u>(37,075)</u>
		448,167	442,022
Other receivables		<u>47,235</u>	<u>109,192</u>
Total current trade and other receivables		<u>495,402</u>	<u>551,214</u>

(a) Provision for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

		\$
Provision for impairment as at 1 July 2013		17,967
Charge for the year		19,108
Provision for impairment as at 30 June 2014		<u>37,075</u>
Written back during the year		(20,285)
Provision for impairment as at 30 June 2015		<u>16,790</u>

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2015
\$

2014
\$

NOTE 7: TRADE AND OTHER RECEIVABLES (Continued)

(b) Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 7. The main source of credit risk to the company is considered to relate to the class of assets described as 'trade and other receivables'.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)			Within initial trade terms \$
			< 30 \$	31-60 \$	> 60 \$	
2015						
Trade receivables	464,957	16,790	106,751	25,650	89,316	226,450
Other receivables	47,235	-	-	-	-	47,235
Total	512,192	16,790	106,751	25,650	89,316	273,685
2014						
Trade receivables	479,097	37,075	2,257	209,521	45,187	185,057
Other receivables	109,192	-	-	-	-	109,192
Total	558,209	37,075	2,257	209,521	45,187	294,249

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

NOTE 8: OTHER CURRENT ASSETS

CURRENT

Term deposits (with an original maturity of more than 3 months) 624,918 -

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
NOTE 9: OTHER CURRENT ASSETS			
CURRENT			
Prepayments		57,739	15,444
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
LAND & BUILDINGS			
At cost		9,215	9,215
Less accumulated amortisation		(672)	(442)
		8,543	8,773
LEASEHOLD IMPROVEMENTS			
At cost		239,588	239,588
Less accumulated amortisation		(138,888)	(50,436)
		100,700	189,152
PLANT & EQUIPMENT			
a) Plant & equipment		284,970	275,162
At cost		(238,164)	(211,873)
Less accumulated depreciation		46,806	63,289
b) Furniture, fixtures & fittings			
At cost		116,430	116,430
Less accumulated depreciation		(74,881)	(67,589)
		41,549	48,841
b) Computer Software			
At cost		15,439	15,439
Less accumulated depreciation		(10,020)	(8,587)
		5,419	6,852
Total plant & equipment		93,774	118,982
Total property, plant and equipment		203,017	316,907

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$

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 2014	8,773	189,152	63,289	48,841	6,852
Additions	-	-	9,808	-	-
Disposals	-	-	-	-	-
Depreciation expense	(230)	(88,452)	(26,291)	(7,292)	(1,433)
Balance at the 30 June 2015	8,543	100,700	46,806	41,549	5,419

	Total
	\$
Balance at the 1 July 2014	316,907
Additions	9,808
Disposals	-
Depreciation expense	(123,698)
Balance at the 30 June 2015	203,017

	2015	2014
	\$	\$

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Unsecured Liabilities

Trade payables	152,488	159,720
Sundry payables and accrued expenses	76,173	198,125
	228,661	357,845

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

Trade and other payables

— Total current	228,661	357,845
— Total non-current	-	-
Financial liabilities as trade and other payables	228,661	357,845

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
NOTE 12: PROVISIONS			
Opening balance at beginning of financial year		286,294	306,601
Movement in provisions during year		<u>93,898</u>	<u>(20,307)</u>
Balance at end of financial year		<u>380,192</u>	<u>286,294</u>
Analysis of Total Provisions			
Current		369,832	247,641
Non-current		<u>10,360</u>	<u>38,653</u>
		<u>380,192</u>	<u>286,294</u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. 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 this report.

NOTE 13: OTHER LIABILITIES

CURRENT

Project liabilities	12 (a)	81,827	134,254
Income received in advance	12 (b)	<u>2,152,884</u>	<u>1,922,688</u>
		<u>2,234,711</u>	<u>2,056,942</u>

(a) Included in project liabilities in the 2015 and 2014 financial years respectively are the following:

	2015	2014
Project name	\$	\$
Smart Approved Watermark	81,827	119,222
Water Treatment Alliance	-	15,032
Total	<u>81,827</u>	<u>134,254</u>

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 13: OTHER LIABILITIES (continued)

(b) Included in Income received in advance in the 2015 and 2014 financial years respectively are the following:

Project name	2015 \$	2014 \$
TAG + Trial	-	27
Asset Management Account	399,495	465,098
Capital Investment Prioritisation	56,924	56,924
Asbestos Cement Pipes PP3-013	71,118	61,450
People and Culture Account	61,681	-
Ecological Footprint	56,303	56,303
Climate Change Adaptation	63,974	-
Treatment Requirements of Aust	-	27,211
Water Main Renewal Planning	24,905	70,492
WaterReuse USA	5,843	7,865
TAG Membership	(1,926)	(8,427)
2012 Asset Management Performance	169,126	230,001
UWIWD Project	-	83,131
Design Assurance Competency	185,887	35,991
Source Management Network Meet	-	5,628
Energy Benchmarking Water	11,340	33,497
Business Case Development	50,019	115,000
Risk Management	34,600	133,000
Capturing Asset Register	26,425	4,746
Common Analytical Methods	24,981	132,136
Mech and Elec Benchmarking	-	107,303
SCADA Standards	13,476	89,233
ISO55001 Guidelines	21,088	28,500
NPV	-	9,000
Asset Lives	-	4,500
Metering Support	42,510	10,000
Adapt Water Project	-	(25,919)
Water Reuse Australia Account	37,946	51,473
Water Industry Supplier Chain	-	18,650
Knowledge Management	-	4,505
Source Catchment vs Treatment	184,416	72,000
Energy Benchmarking	7,267	38,470
Review of Vic Water Sector	4,010	4,010
Health and Safety Pilot	4,500	-
Efficiency Benchmarking	387,597	-
Emerging Pathhogens	77,500	-
Guildelines Managing FFOG	56,136	-
Health based target project	25,000	-
Smart control drinking water	36,000	-
JWWA project	(3,150)	-
Healthy Liveable Account	17,890	890
	<u>2,152,884</u>	<u>1,922,688</u>

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
<hr/>			
NOTE 14: CASH FLOW INFORMATION			
(a) Reconciliation of cash flow from operations with profit/(loss) after income tax			
Profit after income tax		76,672	666,329
Non-cash flows in profit/(loss):			
Depreciation expense		123,698	68,612
Net loss on disposal of property, plant and equipment		-	2,629
Changes in assets and liabilities:			
(Increase)/decrease in receivables		13,517	(91,509)
(Increase)/decrease in inventories		-	48,295
Increase/(decrease) in payables		48,605	413,110
Increase/(decrease) in provisions		93,898	(20,308)
Cash flows from operations		<u>356,390</u>	<u>1,087,157</u>

NOTE 15: 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 (2014:\$10) each towards meeting any outstanding obligations of the Company. There were a total of 64 (2014:31) members for the financial year ended 30 June 2015.

NOTE 16: CAPITAL MANAGEMENT

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximised. The board of directors ensures that the overall risk management strategy is in line with this objective.

Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flows requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the Company's capital by assessing the Company's financial risks and responding to changes in these risks and in the market. These responses include the management of debt levels.

There have been no changes in the strategy adopted by management to control the capital of the Company since prior year.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
NOTE 16: CAPITAL MANAGEMENT (continued)			
The gearing ratios for the year ended 30 June 2015 and 30 June 2014 are as follows:			
	Note	2015	2014
		\$	\$
Trade and other payables	11	228,661	357,845
Other current liabilities	13	2,234,711	2,056,942
Less cash and cash equivalents	6	(3,315,081)	(3,593,417)
Net total		(851,709)	(1,178,630)
Total equity		1,852,593	1,775,902
Total capital		1,008,884	597,272
Gearing ratio		n/a	n/a

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.

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	3,315,081	3,593,417
Trade receivables	495,402	551,214
Total financial assets	3,810,483	4,144,631

Financial liabilities

Financial liabilities at amortised cost		
Trade and other payables	228,661	357,845
Other current liabilities	2,234,711	2,056,942
Total financial liabilities	2,463,372	2,414,787

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$

NOTE 18: FINANCIAL RISK MANAGEMENT (continued)

(a) Financial Risk Management (continued)

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at 30 June 2015.

The senior executives meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The senior executives overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The senior executives operate under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(a) Interest Rate Risk

The Company is not exposed to any material interest rate risk.

(b) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that there are sufficient funds to meet expenditure commitments.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturities			Non- Interest Bearing \$	Total \$
			1 year or less \$	1 to 5 year \$	Over 5 year \$		
30 June 2015							
Financial Assets:							
Cash and cash equivalents	2.01	2,005,698	1,309,383	-	-	-	3,315,081
Trade and other receivables	-	-	-	-	-	495,402	495,402
Total Financial Assets		2,005,698	1,309,383	-	-	495,402	3,810,483
Financial Liabilities:							
Trade and other payables	-	-	-	-	-	228,661	228,661
Other current liabilities	-	-	-	-	-	2,234,711	2,234,711
Total Financial Liabilities	-	-	-	-	-	2,463,372	2,463,372

	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturities			Non- Interest Bearing \$	Total \$
			1 year or less \$	1 to 5 year \$	Over 5 year \$		
30 June 2014							
Financial Assets:							
Cash and cash equivalents	3.29	1,712,297	1,881,003	-	-	117	3,593,417
Trade and other receivables	-	-	-	-	-	551,214	551,214
Total Financial Assets		1,712,297	1,881,003	-	-	551,331	4,144,631
Financial Liabilities:							
Trade and other payables	-	-	-	-	-	357,845	357,845
Other current liabilities	-	-	-	-	-	2,056,942	2,056,942
Total Financial Liabilities	-	-	-	-	-	2,414,787	2,414,787

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is managed on a company basis and reviewed regularly by the senior executives. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the company, credit terms are generally 14 to 30 days from the date of invoice. Customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

(d) Price risk

The Company is not exposed to any material commodity price risk.

(e) Foreign exchange risk

The Company is not exposed to any foreign exchange risk

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

Net Fair Values (Continued)

	Footnote	2015		2014	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	3,315,081	3,315,081	3,593,417	3,593,417
Trade and other receivables	(i)	495,402	495,402	551,214	551,214
Total financial assets		3,810,483	3,810,483	4,144,631	4,144,631
Financial liabilities					
Trade and other payables	(i)	228,661	228,661	357,845	357,845
Other current liabilities	(i)	2,234,711	2,234,711	2,056,942	2,056,942
Total financial liabilities		2,463,372	2,463,372	2,414,787	2,414,787

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

Sensitivity Analysis

Interest Rate Risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis has demonstrated that Water Services Association of Australia does not have a significant exposure to changes in interest rates.

NOTE 20: 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	200,703	245,467
- between 12 months and 5 years	245,783	378,886
	446,486	624,353

The lease for the Melbourne premise is a 5 year lease which expires on 30 June 2017.

The lease for the Sydney premise is a 5 year lease which expires on 30 August 2015.

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
<hr/>			
NOTE 20: CAPITAL AND LEASING COMMITMENTS (Continued)			
b) Operating Research commitments contracted for:			
Payables – minimum payments			
- not later than 12 months		742,174	1,593,000
- between 12 months and 5 years		<u>1,980,000</u>	<u>2,318,000</u>
		<u>2,722,174</u>	<u>3,911,000</u>

Commitments consist of contractual obligations for the company's operations and research projects (both existing and anticipated projects).

NOTE 21: 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 22: 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 23: 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 10 to 34 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 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 _____
Louise Dudley

Director _____
Adam Lovell

Dated this day of 2015

WATER SERVICES ASSOCIATION OF AUSTRALIA LIMITED
ACN 117 907 285

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2014 FINANCIAL STATEMENTS

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<hr/>		
INCOME		
Publication sales	2,289	1,650
Product sales	469,510	450,872
Members fees	3,936,396	3,853,916
Research contributions	-	237,441
Subscription projects	2,651,624	2,499,407
Interest income	93,401	103,064
Workshop income	100,742	96,650
Other income	<u>43,761</u>	<u>434,895</u>
TOTAL INCOME	<u>7,297,723</u>	<u>7,677,895</u>
EXPENDITURE		
Accounting fees	60,833	69,245
Advertising	445	-
Audit fees	13,674	12,741
Bad debts	9,118	1,928
Bank charges	12,641	11,253
Computer expenses	171,299	125,383
Consultancy fees	428,576	530,411
Conferences and seminars	19,080	8,482
Depreciation	123,698	68,612
Doubtful debts	-	19,108
Electricity	17,901	20,148
Entertainment expenses	2,400	13,908
Financial Support	10,000	32,000
Fringe benefits tax	6,677	(7,170)
General expenses	53,616	35,182
Holiday pay	93,898	(20,307)
Insurance	12,362	16,370
Legal costs	-	1,400
Loss on projects	32,069	-

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 2014 FINANCIAL STATEMENTS (CONTINUED)

DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
Loss on disposal/revaluation of non-current assets	-	2,629
Payroll tax	-	6,397
Postage	4,436	5,523
Printing and stationery	19,030	25,902
Rent	237,148	252,309
Repairs and maintenance	3,329	3,798
Salaries and wages	1,913,225	1,761,135
Staff amenities	2,032	1,993
Staff training and welfare	10,498	7,508
Subscription project expense	2,647,120	2,499,407
Subscriptions	585,249	744,401
Superannuation	195,110	173,670
Target based reward	160,829	162,429
Telephone	52,844	58,328
Travelling expenses	238,416	242,220
Workshop expenses	79,871	76,918
Currency exchange loss	3,627	-
Cost of goods sold	-	<u>48,295</u>
TOTAL EXPENDITURE	<u>7,221,051</u>	<u>7,011,566</u>
OPERATING PROFIT	<u>76,672</u>	<u>666,329</u>

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