

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

**Financial Report For The Year Ended
31st December 2015**

Water Industry Operators Association of Australia Ltd

ABN: 83 123 468 422

Financial Report For The Year Ended 31st December 2015

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	17
Independent Audit Report	18

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31st December 2015.

Directors

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

Jim Martin appointed (27/02/2015)
George Wall appointed (27/02/2015)
Peter Tolsher appointed (27/02/2015)
Ryan McGowan appointed (27/02/2015)
Tony Hourigan appointed (27/02/2015)
Russell Mack appointed (27/02/2015)
John Day resigned (27/2/2015)

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

Information on Directors

Jim Martin	—	Director / Chairman
Qualifications	—	Company CEO/ Managing Director (retired), AICD Member
Experience	—	29 years manager in Water Industry, 11 yrs banking & accounting
Special Responsibilities	—	Chairman, Corporate governance and business development.
George Wall	—	Managing Director / Company Secretary
Qualifications	—	B.Tech (Env), GAICD
Experience	—	26 years experience as senior manager, 21 yrs WIOA Secretary.
Special Responsibilities	—	WIOA Ltd Company Secretary, WIOA Ltd Executive Officer
Peter Tolsher	—	Director
Qualifications	—	Snr Manager 14 years
Experience	—	33 years experience in the Water Industry and business operations
Special Responsibilities	—	Quality systems, budgets/financial
Ryan McGowan	—	Director
Qualifications	—	Company Executive
Experience	—	Senior manager 11 years, 28 years in water industry operations roles
Special Responsibilities	—	IT Specialist
Tony Hourigan	—	Director
Qualifications	—	Licensed Electrician
Experience	—	Owner/operator electrical business 2 years, 15 years Snr Manager role in water industry
Special Responsibilities	—	Sales, Marketing
Russell Mack	—	Director
Qualifications	—	Water Treatment Technologist
Experience	—	28 years experience in the Water Industry & 22 yrs as snr manager
Special Responsibilities	—	Technical & strategic advice, Immediate Past President WIOA Inc
John Day	—	Director
Qualifications	—	Company Executive
Experience	—	Senior manager 11 years, 28 years in water industry operations roles
Special Responsibilities	—	Technical & strategic advice

Principal Activities

The principal activity of the company during the financial year was:

The Water Industry Operators Association is a not-for-profit membership association with a Mission of developing and supporting people in operations roles in the water industry.

The purpose of the Association is to disseminate knowledge and information; foster research; and provide services of an educational and training nature throughout Australia in relation to and for the benefit of the water industry. The Association has guiding principles of seeking to preserve clean waterways and protect public health and the environment as well as promoting the sustainable management of water.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

DIRECTORS' REPORT

The Association's constitution contains the following objects:

- (a) To accumulate and disseminate knowledge and information in relation to any aspect of the water industry.
- (b) To increase participation in research by persons engaged in the water industry.
- (c) To increase the knowledge and skills of persons engaged in the water industry.
- (d) To promote standards of education and training to ensure the competency of persons engaged in the water industry.
- (e) To develop key partnerships to deliver high quality education and training in a cost efficient manner.
- (f) To ensure that the Company's educational focus reflects priorities and needs for the water industry.
- (g) To improve equity of access to educational resources regardless of location.
- (h) To provide training and facilitate professional development for supervisors and mentors.
- (i) To integrate continuous quality improvement processes into all aspects of the management and delivery of programmes.
- (j) To do all such things as are incidental and conducive to the attainment of the above objectives throughout Australia.

Short-term and Long-term Objectives

The company's short term objectives are to:

- To continue to undertake all the activities noted in the objects above for the betterment of all staff employed in the water industry;
- To operate in an environmentally and financially sustainable manner, whilst minimising risks to the organisation.
- To be recognised as a key water industry Peak Body.

The company's long term objectives are to:

- Expand the capacity and scope of Water Industry Operators Association of Australia Limited (WIOA) to allow a wider range of services and events to be offered on an Australia wide basis for the betterment of the water industry.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Directors have developed and implemented a Strategic Plan designed to allow the organisation to grow and deliver all its services in a sustainable manner;
- Directors review the financial and operational performance of the company monthly in conjunction with key operational staff.
- A governance framework containing a broad range of policies and procedures has been developed and implemented to assist staff
- The Managing Director has successfully completed the AICD Company Director training course and exam
- A risk management strategy has been developed and implemented.
- Appropriate insurance policies including Directors and Company Insurance, Professional Indemnity, Volunteer cover and other insurances are in place

Key Performance Measures

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

	2015		2014	
	Actual	Benchmark	Actual	Benchmark
Financial				
Percentage proportion of total income provided by:				
- event income	69.5	73.0	70.3	73.0
- services, publications and other income	15.2	15.0	12.8	15.0
- sponsorship	15.1	12.0	16.6	12.0
- growth in cash reserves	-52.2	4.0	19.9	4.0
Note: Reduction in cash reserves due to purchase of office building				
Percentage proportion of total expenditure spent on:				
- conferences & events	42.6	45.0	41.4	45.0
- administration & other expenses	20.7	28.0	22.2	28.0
- wages & staffing costs	31.3	27.0	31.4	27.0
Operational				
- % Growth in membership	9.1	5.0	6.3	5.0
- % growth in conference attendance	-0.2	5.0	-6.8	5.0
- number of certified operators	46	50	27	50

Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
DIRECTORS' REPORT

	Directors' Meetings	
	No. eligible to attend	No. attended
Jim Martin	6	6
George Wall	6	6
Peter Tolsher	6	5
Ryan McGowan	5	4
Tony Hourigan	6	5
Russell Mack	6	6
John Day	1	1

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31st December 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$40 (2014: \$40).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31st December 2015 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director



George Wall

Dated this

18th

day of

February

2016

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF

THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2015 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm Goulburn Murray Audit Services



Name of Partner Adam Purtill

Date 14/1/16

Address 160 Welsford Street

Shepparton, VIC, 3630

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2015

	Note	2015	2014
		\$	\$
Other income	2	1,483,561	1,460,524
Employee provisions expense	3	(456,395)	(463,487)
Depreciation and amortisation expense	3	(39,965)	(20,828)
- administration & other expenses		(332,781)	(329,287)
- conferences & events		(644,830)	(597,600)
- loss on sale of fixed asset		-	-
Current year surplus before income tax		9,590	49,322
Tax expense	1(i)	-	-
Net current year surplus		9,590	49,322
 Total comprehensive income for the year		 9,590	 49,322
Net current year surplus attributable to members of the entity		9,590	49,322
Total comprehensive income attributable to members of the entity		9,590	49,322

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	5	342,957	728,311
Accounts receivable and other debtors	6	30,083	10,338
Other current assets	7	7,700	-
TOTAL CURRENT ASSETS		<u>380,740</u>	<u>738,649</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	399,438	63,944
TOTAL NON-CURRENT ASSETS		<u>399,438</u>	<u>63,944</u>
TOTAL ASSETS		<u>780,178</u>	<u>802,593</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	67,983	92,784
Provision for Annual Leave	10	42,265	53,665
Provision for RDOs	10	1,579	2,125
Provision for Long Service Leave	10	38,493	33,753
TOTAL CURRENT LIABILITIES		<u>150,320</u>	<u>182,327</u>
TOTAL LIABILITIES		<u>150,320</u>	<u>182,327</u>
NET ASSETS		<u>629,858</u>	<u>620,266</u>
EQUITY			
Retained earnings		629,858	620,268
TOTAL EQUITY		<u>629,858</u>	<u>620,268</u>

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2015

Note	Retained Surplus \$	Financial Assets Reserve \$	Revaluation Surplus \$	Total \$
Balance at 1st January 2015	620,268			620,268
Retrospective adjustment upon change in accounting policy				-
Balance at 1 January 2014 (restated)	620,268	-	-	620,268
Comprehensive Income				
Surplus for the year attributable to members of the entity				-
Total other comprehensive income	-	-	-	-
Total comprehensive income attributable to members of the entity	-	-	-	-
Balance at 31st December 2014	620,268	-	-	620,268
Balance at 1 January 2015	620,268	-	-	620,268
Comprehensive Income				
Surplus for the year attributable to members of the entity	9,590			9,590
Total comprehensive income attributable to members of the entity	9,590	-	-	9,590
Transactions with owners, in their capacity as owners, and other transfers				
Total other transfers				-
Total transactions with owners and other transfers	-	-	-	-
Balance at 31st December 2015	629,858	-	-	629,858

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		17,802	23,236
Cash receipts in the course of operations		1,423,078	1,476,142
Cash payments in the course of operations		(1,458,228)	(1,363,749)
Net cash generated from operating activities	14	<u>(17,348)</u>	<u>135,629</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(368,000)	(6,280)
Net cash used in investing activities		<u>(368,000)</u>	<u>(6,280)</u>
Net increase in cash held		(385,348)	129,349
Cash on hand at beginning of the financial year		728,312	598,963
Cash on hand at end of the financial year	5	<u><u>342,964</u></u>	<u><u>728,312</u></u>

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

The financial statements cover Water Industry Operators Association of Australia Ltd as an individual entity, incorporated and domiciled in Australia. Water Industry Operators Association of Australia Ltd is a company limited by guarantee.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements were authorised for issue on 15/01/2016 by the directors of the company.

Accounting Policies

(a) Revenue

Water Industry Operators Association of Australia Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

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

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

(b) Property, Plant and Equipment

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

Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment - Purchased before 12/05/2015	8% - 67%
Plant and equipment - Purchased on or after 12/05/2015	100%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(c) Financial Instruments

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

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 (i.e. trade date accounting is adopted).

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

Classification and Subsequent Measurement

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

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

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 item in profit or loss.

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale investments

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

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

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

(v) Financial liabilities

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

Impairment

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

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

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

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

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

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows 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 when the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(d) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

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 asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised 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 class of asset.

(e) Employee Provisions

Short-term employee provisions

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

(f) Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(h) Goods and Services Tax (GST)

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

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

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

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

(i) **Income Tax**

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

(j) **Provisions**

Provisions are recognised when the entity 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 reporting period.

(k) **Comparative Figures**

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

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding comparative period in addition to the minimum comparative financial statements must be disclosed.

(l) **Accounts Payable and Other Payables**

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

(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 the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(n) **New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and associated amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017)

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes 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 that may affect the Company on initial application of AASB 9 and associated amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, 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 the hedging 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 company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (applicable for annual reporting periods commencing on or after 1 January 2013).

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the company's financial statements.

AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed). This Standard is not expected to significantly impact the company's financial statements.

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only but is not expected to significantly impact the company's financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the company's financial statements.

- AASB 2012–3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to significantly impact the company's financial statements.

- Interpretation 21: Levies (applicable for annual reporting periods commencing on or after 1 January 2014).

Interpretation 21 clarifies the circumstances under which a liability to pay a levy imposed by a government should be recognised, and whether that liability should be recognised in full at a specific date or progressively over a period of time. This Interpretation is not expected to significantly impact the company's financial statements.

- AASB 2013–3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the company's financial statements.

- AASB 2013–4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–4 makes amendments to AASB 139: Financial Instruments: Recognition and Measurement to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. This Standard is not expected to significantly impact the company's financial statements.

- AASB 2013–5: Amendments to Australian Accounting Standards – Investment Entities (applicable for annual reporting periods commencing on or after 1 January 2014).

AASB 2013–5 amends AASB 10: Consolidated Financial Statements to define an "investment entity" and requires, with limited exceptions, that the subsidiaries of such entities be accounted for at fair value through profit or loss in accordance with AASB 9 and not be consolidated. Additional disclosures are also required. As neither the parent nor its subsidiaries meet the definition of an investment entity, this Standard is not expected to significantly impact the company's financial statements.

Note 2 Revenue and Other Income

	2015	2014
	\$	\$
Revenue		
Other income		
— Gain on disposal of property, plant and equipment	7,457	-
— - event income	1,054,260	1,035,298
— - publications	22,243	33,876
— - sponsorship	225,424	248,151
— - services	14,399	15,353
— - other revenue	41,125	20,841
	<u>1,364,908</u>	<u>1,353,519</u>

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

— Non-operating Activities			
— - management fees received from related party		100,851	83,768
— - interest received		17,802	23,237
Total other income		<u>118,653</u>	<u>107,005</u>
Total revenue and other income		<u>1,483,561</u>	<u>1,460,524</u>
Note 3	Expenses		
		2015	2014
		\$	\$
(a) Expenses			
Employee benefits expense:			
— contributions to defined contribution superannuation funds		38,454	36,328
— Wages & salaries		358,512	388,820
— workers compensation costs		4,443	3,909
— other costs		54,986	34,430
Total employee benefits expense		<u>456,395</u>	<u>463,487</u>
Depreciation and amortisation:			
— plant and equipment		39,965	20,828
Total depreciation and amortisation		<u>39,965</u>	<u>20,828</u>
Note 4	Auditors' Remuneration		
		2015	2014
		\$	\$
Audit or review of the financial report of the Company		<u>5,665</u>	<u>5,500</u>
Note 5	Cash on Hand		
		2015	2014
		\$	\$
CURRENT			
Cash at bank		341,537	727,066
Cash float		1,380	1,205
Cash on Hand		40	40
Total cash and cash equivalents as stated in the statement of financial position		<u>342,957</u>	<u>728,311</u>
Total cash and cash equivalents as stated in the cash flow statement		<u>342,964</u>	<u>728,312</u>
Note 6	Accounts Receivable and Other Debtors		
	Note	2015	2014
		\$	\$
CURRENT			
GST Control		27,264	-
Trade Debtors		2,819	10,338
Total current accounts receivable and other debtors		<u>30,083</u>	<u>10,338</u>
Note 7	Other Current Assets		
		2015	2014
		\$	\$
Prepayments		7,700	-
		<u>7,700</u>	<u>-</u>
Note 8	Property, Plant and Equipment		
		2015	2014
		\$	\$
LAND AND BUILDINGS			

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

Buildings at fair value:
— Directors valuation 2015
Total buildings
Total land and buildings

326,137	
326,137	-
326,137	-

PLANT AND EQUIPMENT

Plant and equipment
At cost
Less accumulated depreciation

142,329	153,219
(69,028)	(89,275)
73,301	63,944
73,301	63,944

Total plant and equipment

Total property, plant and equipment

399,438.00	63,944.00
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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:

	Plant and Equipment \$	Total \$
2014		
Balance at the beginning of the year	78,492	78,492
Additions at cost	6,280	6,280
Disposals	-	-
Depreciation expense	(20,828)	(20,828)
Carrying amount at end of year	63,944	63,944.00
2015		
Balance at the beginning of the year	63,944	63,944
Additions at cost	403,456	403,456
Disposals	(27,997)	(27,997)
Depreciation expense	(39,965)	(39,965)
Carrying amount at end of year	399,438	399,438.00

Asset revaluations

Note 9 Accounts Payable and Other Payables

	2015 \$	2014 \$
CURRENT		
Other current payables	10,232	13,569
GST payable	-	5,981
Income received in advance	57,751	73,234
	67,983	92,784

Note 10 Employee Provisions

Provision for Employee Benefits

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

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

Note 11 Contingent Liabilities and Contingent Assets

There were no contingent liabilities at the date of this report to affect the financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

Note 12 Events After the Reporting Period

There have been no events after the end date of the financial year that would materially affect the financial statements.

Note 13 Key Management Personnel Compensation

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

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

	2015	2014
Key Management Personnel Compensation	\$	\$
— Salaries and fees	155,423	151,923
— Superannuation	14,765	14,244
Total key management personnel compensation	<u>170,188</u>	<u>166,167</u>

Note 14 Cash Flow Information

Reconciliation of Cashflow from Operating Activities with Current Year Surplus	2015	2014
	\$	\$
Profit after income tax	9,590	49,322
Non cash flows		
Depreciation and amortisation expense	39,965	20,828
Gains on disposal of property, plant and equipment	(7,457)	-
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	7,519	(2,648)
Increase/(decrease) in accounts payable and other payables	(3,337)	1,812
Increase/(decrease) in accrued income	(15,483)	41,503
Increase/(decrease) in provisions for employee benefits	(7,207)	13,876
(Increase)/decrease in GST Receivable	(27,264)	-
Increase/(decrease) in GST Payable	(5,981)	2,888
(Increase)/decrease in prepayments	(7,700)	8,052
	<u>(17,354)</u>	<u>135,633</u>

Note 15 Entity Details

The registered office of the entity is:

Water Industry Operators Association of Australia Ltd
24-26 New Dookie Rd, Shepparton Vic 3630

The principal place of business is:

Water Industry Operators Association of Australia Ltd
24-26 New Dookie Rd, Shepparton Vic 3630

Note 16 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 31 December 2014 the number of members was 4.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Water Industry Operators Association of Australia Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 16, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the company as at 31st December 2015 and its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Director



George Wall

Dated this

18th

day of

February

2016

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

Report on the Financial Report

We have audited the accompanying financial report of Water Industry Operators Association of Australia Ltd, which comprises the statement of financial position as at 31st December 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

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

Predecessor auditor

Without modifying our opinion, we draw attention to the fact that the financial report for the year ended 31st December 2014 was audited by a predecessor auditor who expressed an unmodified opinion on the financial report dated 25th February 2015

Opinion

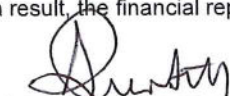
In our opinion, the financial report of Water Industry Operators Association of Australia Ltd is in accordance with Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31st December 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Auditor's signature:



Adam Purtill
Goulburn Murray Audit Services
160 Welsford Street
Shepparton, VIC, 3630

Address:

Dated this

19

day of

February

2016