

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

**Financial Report For The Year Ended
31st December 2017**

Water Industry Operators Association of Australia Ltd

ABN: 83 123 468 422

Financial Report For The Year Ended 31st December 2017

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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 2017.

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 (1/03/2013)
 George Wall appointed (16/01/2007)
 Peter Tolsher retired (24/02/2017)
 Ryan McGowan appointed (27/02/2015)
 Tony Hourigan retired (24/02/2017)
 Russell Mack appointed (1/03/2013)
 Adrian Rijnbeek appointed (24/02/2017)
 Jillian Busch appointed (24/02/2017)

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	—	30 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	—	28 years experience as senior manager, 23 yrs WIOA Secretary.
Special Responsibilities	—	WIOA Ltd Company Secretary, WIOA Ltd Managing Director
Peter Tolsher	—	Director - Retired 24/2/17
Qualifications	—	Snr Manager 15 years
Experience	—	34 years experience in the Water Industry and business operations
Special Responsibilities	—	
Ryan McGowan	—	Director
Qualifications	—	B. Comp Science & Eng, Snr Mgr 6 years
Experience	—	21 years in water industry roles
Special Responsibilities	—	IT Specialist, Immediate Past President WIOA Inc
Tony Hourigan	—	Director - Retired 24/2/17
Qualifications	—	Licensed Electrician
Experience	—	Owner/operator electrical business 2 years, 15 years Snr Manager role in water industry
Special Responsibilities	—	
Russell Mack	—	Director
Qualifications	—	Water Treatment Technologist
Experience	—	30 years experience in the Water Industry & 24 yrs as snr manager
Special Responsibilities	—	Budget & Finances, Technical & strategic advice
Adrian Rijnbeek	—	Director
Qualifications	—	B.Science (Env Mgmt), Grad Dip Mgmt;
Experience	—	13 years experience in water industry, National BDM 1 year
Special Responsibilities	—	Sales, Marketing, President WIOA Inc
Jillian Busch	—	Director
Qualifications	—	B. Applied Science (Physical Science & Microbiology)
Experience	—	22 years experience in Tech roles in the Water Industry & 8 yrs as Director Private Company
Special Responsibilities	—	Technical & strategic advice

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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DIRECTORS' REPORT

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.

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 the Peak Body for the operational side of the water industry.

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 all members and stakeholders in the water industry.

Strategies

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

- Directors have developed, updated 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
- All other Directors have or are completing training courses in Governance, Finance and Risk with the AICD
- A risk management strategy has been developed and implemented.
- Appropriate insurance policies including Directors and Company Insurance, Professional Indemnity, Volunteer cover, Event Cancellation 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.

	2017		2016	
	Actual	Budget	Actual	Budget
Financial				
- growth in cash reserves (%)	39.6	4.0	28.9	4.0
- Net trading result V's Budget (\$k)	182.5	-16.2	64.2	2.9
Operational				
- Total Number of Members	4031	4202	4002	3862
- Growth in membership (%)	0.7	5.0	8.8	5.0
- Growth in conference attendance (%)	12.4	2.0	-2.1	2.0
- Number of certified operators	112	150	82	75

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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DIRECTORS' REPORT

Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Jim Martin	7	7
George Wall	7	7
Peter Tolsher	1	1
Ryan McGowan	7	7
Tony Hourigan	1	-
Russell Mack	7	7
Adrian Rijnbeek	6	5
Jillian Busch	6	6

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 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$40 (2016 \$40).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31st December 2017 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 16th day of February 2018

Director 
Ryan McGowan

Dated this 16th day of February 2018



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

ABN 83 123 468 422

FOR THE YEAR ENDED 31 DECEMBER 2017

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017 there have been:

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

Adam Purtil RCA 419507

Date: 20 February 2018

160 Welsford Street Shepparton, VIC 3630

Directors:

**Adam Purtil, CPA
Karen Collins, CPA**

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WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017	2016
		\$	\$
Other income	2	1,760,842	1,529,315
Employee benefits expense	3	(561,559)	(496,129)
Depreciation and amortisation expense	3	(28,494)	(40,461)
- administration & other expenses		(324,928)	(292,058)
- conferences & events		(691,953)	(620,527)
Current year surplus before income tax		153,908	80,139
Tax expense	1(i)	-	-
Net current year surplus		153,908	80,139
Total comprehensive income for the year		153,908	80,139
Net current year surplus attributable to members of the entity		153,908	80,139
Total comprehensive income attributable to members of the entity		153,908	80,139

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	5	634,604	452,453
Accounts receivable and other debtors	6	17,406	17,398
Other current assets	7	7,529	29,633
TOTAL CURRENT ASSETS		<u>659,539</u>	<u>499,484</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	408,964	406,056
TOTAL NON-CURRENT ASSETS		<u>408,964</u>	<u>406,056</u>
TOTAL ASSETS		<u>1,068,503</u>	<u>905,540</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	87,820	100,046
Provision for Annual Leave	1(e)	46,210	49,391
Provision for RDOs	1(e)	988	2,772
Provision for Long Service Leave	1(e)	69,580	43,334
TOTAL CURRENT LIABILITIES		<u>204,599</u>	<u>195,544</u>
TOTAL LIABILITIES		<u>204,599</u>	<u>195,544</u>
NET ASSETS		<u>863,905</u>	<u>709,997</u>
EQUITY			
Retained earnings		863,905	709,997
TOTAL EQUITY		<u>863,905</u>	<u>709,997</u>

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	Retained Surplus \$	Financial Assets Reserve \$	Revaluation Surplus \$	Total \$
Balance at 1st January 2016		629,858			629,858
Retrospective adjustment upon change in accounting policy					-
Balance at 1st January 2016		629,858	-	-	629,858
Comprehensive Income					
Surplus for the year attributable to members of the entity		80,139			80,139
Total comprehensive income attributable to members of the entity		80,139			80,139
Balance at 31st December 2016		709,997	-	-	709,997
Balance at 1 January 2017		709,997	-	-	709,997
Comprehensive Income					
Surplus for the year attributable to members of the entity		153,908			153,908
Total comprehensive income attributable to members of the entity		153,908	-	-	153,908
Total other transfers					-
Balance at 31st December 2017		863,905	-	-	863,905

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		8,211	8,644
Cash receipts in the course of operations		1,736,206	1,564,392
Cash payments in the course of operations		(1,532,347)	(1,416,467)
Net cash generated from operating activities	13	212,070	156,569
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment			-
Payment for property, plant and equipment		(29,919)	(47,080)
Net cash used in investing activities		(29,919)	(47,080)
Net increase in cash held		182,151	109,489
Cash on hand at beginning of the financial year		452,453	342,964
Cash on hand at end of the financial year	5	634,604	452,453

The accompanying notes form part of these financial statements.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

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 - Reduced Disclosure Requirements 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 14/02/2018 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.

Membership income is recognised as revenue when it is received.

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(d) 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	25% - 100%

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

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

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

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

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.

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.

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.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

Provision for Leave

— provision for annual leave	46,210	49,391
— provision for rostered day off	988	2,772
— Provision for long service leave	69,580	43,334
Total provision for leave	<u>116,778</u>	<u>95,497</u>

(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.

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.

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD

ABN: 83 123 468 422

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

Note 2 Revenue and Other Income

	2017	2016
	\$	\$
Revenue		
Other income		
— Gain on disposal of property, plant and equipment	1,482	-
— - event income	1,278,550	1,051,839
— - publications	18,617	29,315
— - sponsorship	267,867	232,157
— - services	12,911	40,129
— - other revenue	42,227	39,686
	<u>1,621,653</u>	<u>1,393,125</u>
— Non-operating Activities		
— - management fees received from related party	130,978	127,546
— - interest received	8,211	8,644
Total other income	<u>139,189</u>	<u>136,189</u>
Total revenue and other income	<u><u>1,760,842</u></u>	<u><u>1,529,315</u></u>

Note 3 Expenses

	2017	2016
	\$	\$
(a) Expenses		
Employee benefits expense:		
— contributions to defined contribution superannuation funds	44,517	39,868
— wages & salaries	468,732	419,777
— workers compensation costs	5,218	5,392
— other costs	43,092	31,092
Total employee benefits expense	<u>561,559</u>	<u>496,129</u>
Depreciation and amortisation:		
— building	-	-
— plant and equipment	28,494	40,461
Total depreciation and amortisation	<u>28,494</u>	<u>40,461</u>

Note 4 Auditors' Remuneration

	2017	2016
	\$	\$
Audit or review of the financial report of the Company	<u>5,100</u>	<u>4,500</u>

Note 5 Cash on Hand

	2017	2016
	\$	\$
CURRENT		
Cash at bank	634,450	452,028
Cash float	115	386
Cash on Hand	40	40
Total cash and cash equivalents as stated in the statement of financial position	<u>634,604</u>	<u>452,453</u>
Total cash and cash equivalents as stated in the cash flow statement	<u>634,604</u>	<u>452,453</u>

Note 6 Accounts Receivable and Other Debtors

	2017	2016
	\$	\$
CURRENT		
Trade Debtors	17,406	17,398
Total current accounts receivable and other debtors	<u>17,406</u>	<u>17,398</u>

WATER INDUSTRY OPERATORS ASSOCIATION OF AUSTRALIA LTD
ABN: 83 123 468 422
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

Note 7 Other Current Assets

	2017	2016
	\$	\$
Prepayments	7,529	29,633
	<u>7,529</u>	<u>29,633</u>

Note 8 Property, Plant and Equipment

	2017	2016
	\$	\$
LAND AND BUILDINGS		
Buildings at fair value:		
— Directors valuation 2014	326,137	326,137
Less accumulated depreciation	-	-
Total buildings	<u>326,137</u>	<u>326,137</u>
Total land and buildings	<u>326,137</u>	<u>326,137</u>
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	229,329	189,410
Less accumulated depreciation	(146,502)	(109,490)
	<u>82,827</u>	<u>79,919</u>
Total plant and equipment	<u>82,827</u>	<u>79,919</u>
Total property, plant and equipment	<u>408,964</u>	<u>406,056</u>

Changes in accounting policies - Building Depreciation

The company undertook a review of property, plant and equipment depreciation. The company has decided that the value of the buildings will be disclosed in the financial statements at directors valuation rather than historical cost. As a result depreciation will not be deducted from carrying value of buildings in the financial statements. This has been rectified by restarting the affected financial statement line items from prior periods as follows:

	December 2016		
	Previous Amount	Adjustment	Restated Amount
Statement of Financial Position			
Buildings at Fair Value	326,137	-	326,137
Less accumulated depreciation	(8,153)	8,153	-
Retained earnings at the beginning of the financial year	629,858	-	629,858
Retained earnings - Surplus for 2016	71,986	8,153	80,139
Statement of Comprehensive Income			
Depreciation and amortization expense	48,614	(8,153)	40,461

Note 9 Accounts Payable and Other Payables

	2017	2016
	\$	\$
CURRENT		
Other current payables	14,886	11,259
GST payable	11,645	12,563
Income received in advance	61,289	76,224
	<u>87,820</u>	<u>100,046</u>

Note 10 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 2017

Note 11 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 12 Related Party Transactions

Key Management Personnel

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:

	2017	2016
Key Management Personnel Compensation	\$	\$
— Salaries and fees	312,769	291,673
— Superannuation	29,713	27,708
Total key management personnel compensation	<u>342,482</u>	<u>319,381</u>
Other Related Party Transactions		
— Management fee received from Water Industry Operators of Australia Inc	<u>130,978</u>	<u>127,546</u>

Note 13 Cash Flow Information

Reconciliation of Cashflow from Operating Activities with Current Year Surplus	2017	2016
	\$	\$
Profit after income tax	153,908	80,139
Non cash flows		
Depreciation and amortisation expense	28,494	40,461
Gains on disposal of property, plant and equipment	(1,482)	-
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	(8)	(14,579)
Increase/(decrease) in accounts payable and other payables	3,626	1,027
Increase/(decrease) in accrued income	(14,934)	18,472
Increase/(decrease) in provisions for employee benefits	21,281	13,160
(Increase)/decrease in GST Receivable	-	27,264
Increase/(decrease) in GST Payable	(918)	12,557
(Increase)/decrease in prepayments	22,103	(21,933)
	<u>212,070</u>	<u>156,569</u>

Note 14 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 15 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 2017 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 15, 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 2017 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.



George Wall

Dated this

16th day of February 2018

Director



Ryan McGowan

Dated this

16th day of February 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Water Industry Operators Association of Australia Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Water Industry Operators Association of Australia Ltd. (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income for the period then ended, statement in changes in equity, statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its financial performance for the period then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors:

Adam Purtill, CPA
Karen Collins, CPA

160 Welsford Street, Shepparton VIC 3630
P.O. Box 5, Shepparton, VIC 3632

T (03) 5821 4622
F (03) 5821 1598

56 Denison Street, Finley NSW 2713
P.O. Box 229, Finley, NSW 2713

T (03) 5883 1477
F (03) 5883 2240


Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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



Adam Purtill RCA 419507

Date: 20 February 2018

160 Welsford Street Shepparton, VIC 3630