

WATER DIRECTORATE INCORPORATED
ANNUAL REPORT FOR MEMBERS
FOR THE YEAR ENDED 30 JUNE 2004

WATER DIRECTORATE INCORPORATED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
Revenues from membership subscriptions	2	296,189	283,739
Other revenues from ordinary activities		18,195	34,315
Employee benefits expense		(151,886)	-
Management fees		(38,733)	(139,870)
Consultants and technical support		(98,978)	(95,021)
Subscriptions		(1,000)	(15,555)
Advertising sponsorship		(20,745)	(6,912)
Insurance		(10,653)	-
Printing, postage and stationery		(13,298)	(10,415)
Conferences		(5,789)	(8,263)
Other expenses from ordinary activities		(35,009)	(29,363)
Surplus (deficit) from ordinary activities before income tax		(61,707)	12,655
Income tax expense		-	-
Net surplus (deficit)	8	(61,707)	12,655

The above statement of financial performance should be read in conjunction with the accompanying notes.

WATER DIRECTORATE INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004**

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	3	50,361	92,094
Other	4	6,711	1,834
Total current assets		<u>57,072</u>	<u>93,928</u>
NON-CURRENT ASSETS			
Plant and equipment	5	2,357	3,229
Total non-current assets		<u>2,357</u>	<u>3,229</u>
Total assets		<u>59,429</u>	<u>97,157</u>
CURRENT LIABILITIES			
Payables	6	11,474	468
Total current liabilities		<u>11,474</u>	<u>468</u>
NON-CURRENT LIABILITIES			
Provisions	7	12,973	-
Total non-current liabilities		<u>12,973</u>	<u>-</u>
Total liabilities		<u>24,447</u>	<u>468</u>
NET ASSETS		<u>34,982</u>	<u>96,689</u>
EQUITY			
Retained profits (accumulated losses)	8	34,982	96,689
Total equity		<u>34,982</u>	<u>96,689</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

WATER DIRECTORATE INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF ACCOUNTING POLICIES

Water Directorate Incorporated was incorporated on 4 December 2002. Prior to this date the Water Directorate operated as an unincorporated entity, managed by the Institute of Public Works Engineering (NSW Division) Limited. The comparative figures in this financial report are those recorded in the financial report of Institute of Public Works Engineering (NSW Division) Limited for the year ended 30 June 2003.

These financial statements are a special purpose financial report prepared for use by the committee and members of the association. The committee has determined that the association is not a reporting entity.

It is prepared on the basis of historical cost and in accordance with the requirements of all applicable Accounting Standards and other mandatory professional reporting requirements, with the exception of:

- AAS 16 : Financial Reporting by Segments
- AAS 22 : Related Party Disclosures
- AAS 28 : Statement of Cash Flows
- AAS 33 : Presentation and Disclosure of Financial Instruments
- ASB 1047 : Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards

The following is a summary of the significant accounting policies adopted by the association in the preparation of the financial report.

(a) Receivables and revenue recognition

Membership income is recorded when the period of membership begins. Any membership fees received in advance are taken to deferred income until the period of membership begins.

Collectibility of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(b) Trade creditors and accruals

These amounts represent liabilities for goods and services provided to the association prior to the end of the year and which are unpaid. The amounts disclosed are usually paid within 30 days of recognition.

(c) Income tax

Much of the income of the association is "mutual" income as defined in tax law, whereby income derived from member sources is tax exempt. Taxable income includes income derived from non-member sources after deducting expenditure incurred in deriving that income.

WATER DIRECTORATE INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
2. OPERATING SURPLUS		
Operating surplus before income tax has been determined after:		
(a) Crediting as Revenue		
Revenue from operating activities		
Membership fees	296,189	283,739
Sales – manuals	11,710	-
Sundry income	6,485	34,315
	<u>314,384</u>	<u>318,054</u>
Total revenue from operating activities	<u>314,384</u>	<u>318,054</u>
Total revenue	<u>314,384</u>	<u>318,054</u>
(b) Charging as Expense		
Remuneration of the auditors for:		
Auditing accounts – HLB Mann Judd	5,000	-
Other services – HLB Mann Judd	<u>-</u>	<u>-</u>
3. CASH ASSETS		
Cash at bank	<u>50,361</u>	<u>92,094</u>
4. OTHER ASSETS		
Current		
Other receivables	<u>6,711</u>	<u>1,839</u>
5. PLANT AND EQUIPMENT		
Computer equipment – at cost	3,229	3,229
Accumulated depreciation	<u>(872)</u>	<u>-</u>
	<u>2,357</u>	<u>3,229</u>

WATER DIRECTORATE INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
5. PLANT AND EQUIPMENT (continued)		
Reconciliation		
Reconciliation of the carrying amount of the computer equipment at the beginning and end of the current financial year are set out below:		
Carrying amount at the beginning of the year	3,229	
Depreciation expenses	<u>(872)</u>	
Carrying amount at the end of the year	<u>2,357</u>	
 6. PAYABLES		
Current		
Accruals and other creditors	7,920	468
Accrual for annual leave	<u>3,554</u>	<u>-</u>
	<u>11,474</u>	<u>468</u>
 7. PROVISIONS		
Non-current		
Provision for long service leave	<u>12,973</u>	<u>-</u>
 8. RETAINED PROFITS		
Balance at the beginning of the year	96,689	84,034
Net surplus (refer Note 9)	<u>(61,707)</u>	<u>12,655</u>
Balance at the end of the year	<u>34,982</u>	<u>96,689</u>

WATER DIRECTORATE INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
9. STATEMENT OF INCOME & EXPENDITURE		
Income		
Membership fees	296,189	283,739
Sales - manuals	11,710	-
Sundry income	6,485	39,315
	314,384	318,054
Expenditure		
Conferences, travel and accommodation	6,846	8,263
Consultants and technical support	98,978	95,021
Membership	8,000	6,031
Subscriptions	1,000	15,555
Advertising sponsorship	20,745	6,912
Printing, postage and stationer	13,298	10,415
Salary	151,886	102,188
General expense	-	641
Legal fee	5,620	4,647
Insurance	10,653	-
Computer expense	2,973	9,840
Executive committee	6,062	8,204
Depreciation	872	-
Taxes	425	-
IPWEA support		
Management fee	38,733	35,182
Accounting/audit	10,000	2,500
	376,090	305,399
Net surplus (deficit)	(61,707)	12,655

10. OTHER INFORMATION

Water Directorate Incorporated is an association incorporated under the Associations Incorporation Act 1984 (NSW) and is domiciled in New South Wales.

The registered office and principal place of business is at 447 Kent Street, Sydney NSW 2000.

There was 1 employee at year end (2003: nil).

WATER DIRECTORATE INCORPORATED
EXECUTIVE COMMITTEE DECLARATION

In the opinion of the Executive Committee of the association:

1. (a) the statement of financial performance gives a true and fair view of the results of the association for the year ended 30 June 2004;
- (b) the statement of financial position gives a true and fair view of the state of affairs of the association as at the end of the year.
2. The accompanying accounts:
 - (a) have been made out in accordance with section 26 of the Associations Incorporation Act; and
 - (b) give a true and fair view of the matters dealt with by that section.
3. At the date of this declaration, there are reasonable grounds to believe that the association can meet its debts as and when they fall due.

This declaration is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the Executive Committee by two representatives.

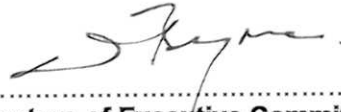


.....
Signature of Executive Committee Representative

.....
Print Name

.....
Date

4 NOVEMBER 2004



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Signature of Executive Committee Representative

.....
Print Name

.....
Date

4 NOVEMBER 2004

WATER DIRECTORATE INCORPORATED
INDEPENDENT AUDIT REPORT

To the members of Water Directorate Incorporated:

Scope

The special purpose financial report and Executive Committee responsibility

The special purpose financial report comprises the statement of financial position as at 30 June 2004, and the statement of financial performance, accompanying notes to the financial statements, and the Executive Committee declaration for the year ended 30 June 2004 for Water Directorate Incorporated ("the association") as set out on pages 1 to 7.

The Executive Committee members are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error, for the accounting policies and for the accounting estimates within the financial report.

The accounting policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia. The financial statements comply with Accounting Standards and other reporting requirements in Australia to the extent set out in Note 1 to the financial statements. The Executive committee members are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the needs of the members of the association.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance that the financial report is free of material misstatement. The nature of an audit is influenced by several factors including the use of professional judgement, selective testing, the inherent limitations of internal control and the availability of audit evidence which may be persuasive rather than conclusive. Accordingly, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether, in all material respects, the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia to the extent described in Note 1, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When determining the nature and extent of our procedures we considered the effectiveness of management's internal controls over financial reporting. Our audit was not designed to provide assurance in relation to internal controls.

No opinion is expressed as to whether or not the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

WATER DIRECTORATE INCORPORATED

**INDEPENDENT AUDIT REPORT
(continued)**

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.


Audit opinion

In our opinion, the financial report of Water Directorate Incorporated:

- presents fairly, in accordance with the accounting policies described in Note 1, the financial position of Water Directorate Incorporated at 30 June 2004 and its performance for the year ended on that date, and
- is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia to the extent described in Note 1.

Sydney
8 November 2004


HLB MANN JUDD
(NSW Partnership)
Chartered Accountants


D K Swindells
Partner