WATER DIRECTORATE INCORPORATED

AUSTRALIAN BUSINESS NUMBER: 96 588 594 694

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

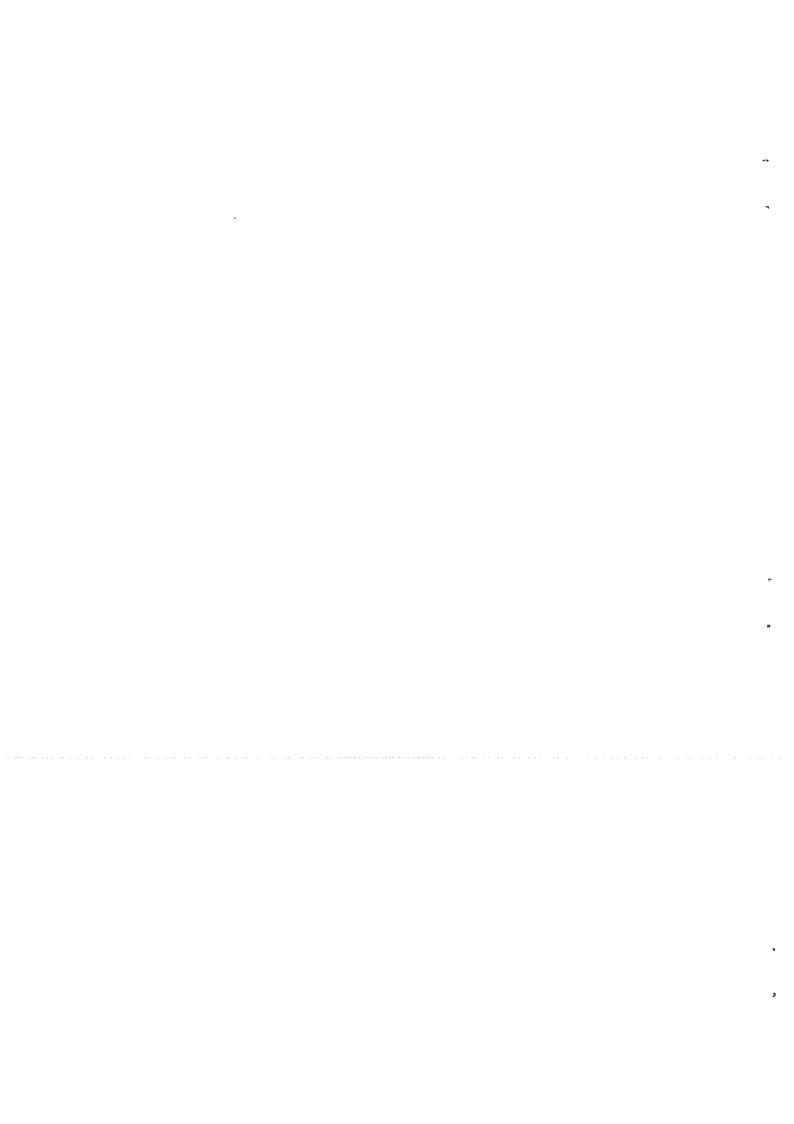
LWK Pty Limited

Chartered Accountants
Business Advisers and Consultants

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INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF WATER DIRECTORATE INCORPORATED AUSTRALIAN BUSINESS NUMBER: 96 588 594 694 Stephen K M Liu FCA Victor K M Kwok CA Harmit S Chopra CA

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Water Directorate Incorporated (the association), which comprises the assets and liabilities statement as at 30 June 2014, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Executive Committee.

Executive Committee's Responsibility for the Financial Report

The Executive Committee of the association is responsible for the preparation and fair presentation of the financial report, and has determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the Associations Incorporation Act 2009 (NSW) and to meet the needs of the members. The Executive Committee's responsibility also includes such internal control as the Executive Committee determines is necessary to enable the preparation and fair presentation of a 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 have 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 whether the financial report is free from material misstatement.

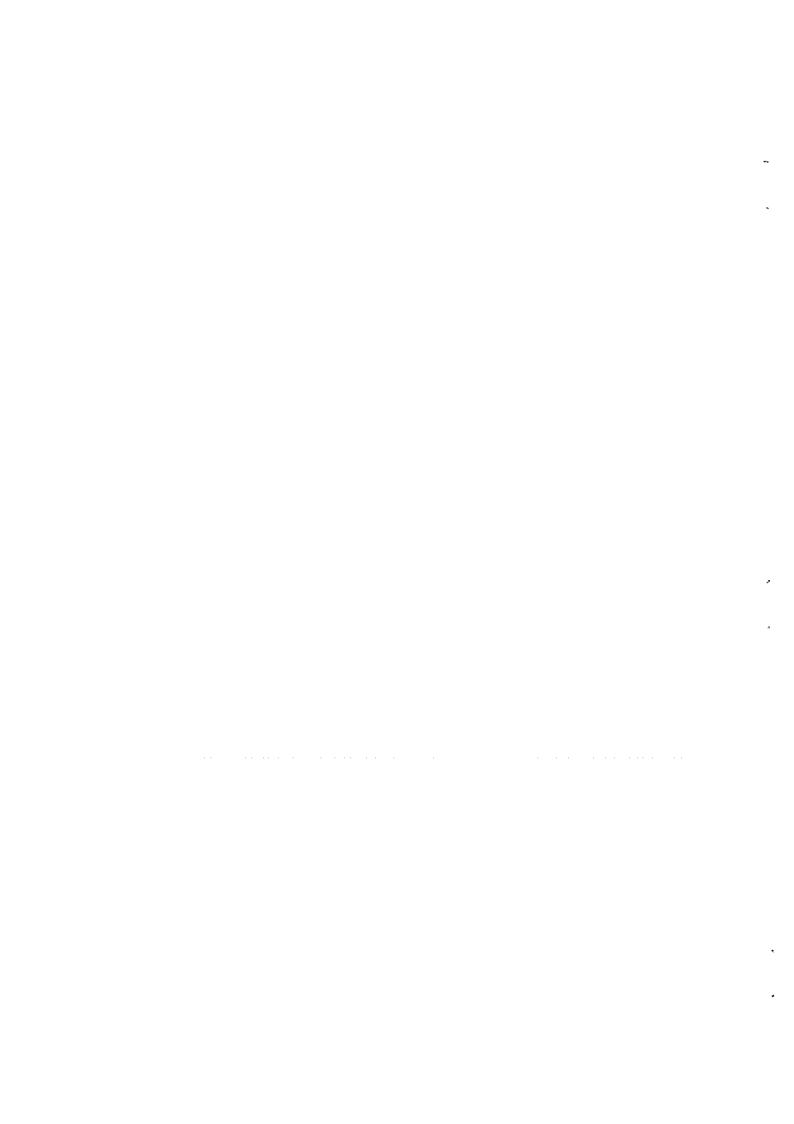
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association'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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, 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.

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INDEPENDENT AUDIT REPORT (Continued)

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Water Directorate Incorporated as at 30 June 2014 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Act 2009 (NSW).

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Water Directorate Incorporated to meet the requirements of the Associations Incorporation Act 2009 (NSW). As a result, the financial report may not be suitable for another purpose.

LWK

LWK

Chartered Accountants

H.S. CHOPRA

Partner

Date 18 Laftenher 2014

Sydney



WATER DIRECTORATE INCORPORATED AUSTRALIAN BUSINESS NUMBER: 96 588 594 694 FOR THE YEAR ENDED 30 JUNE 2014

STATEMENT BY MEMBERS OF THE EXECUTIVE COMMITTEE

The Executive Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Executive Committee the financial report:

- 1. presents a true and fair view of the financial position of Water Directorate Incorporated as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirement of the Associations Incorporation Act 2009 (NSW); and
- 2. at the date of this statement, there are reasonable grounds to believe that Water Directorate Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Executive Committee and is signed for and on behalf of the Executive Committee by:

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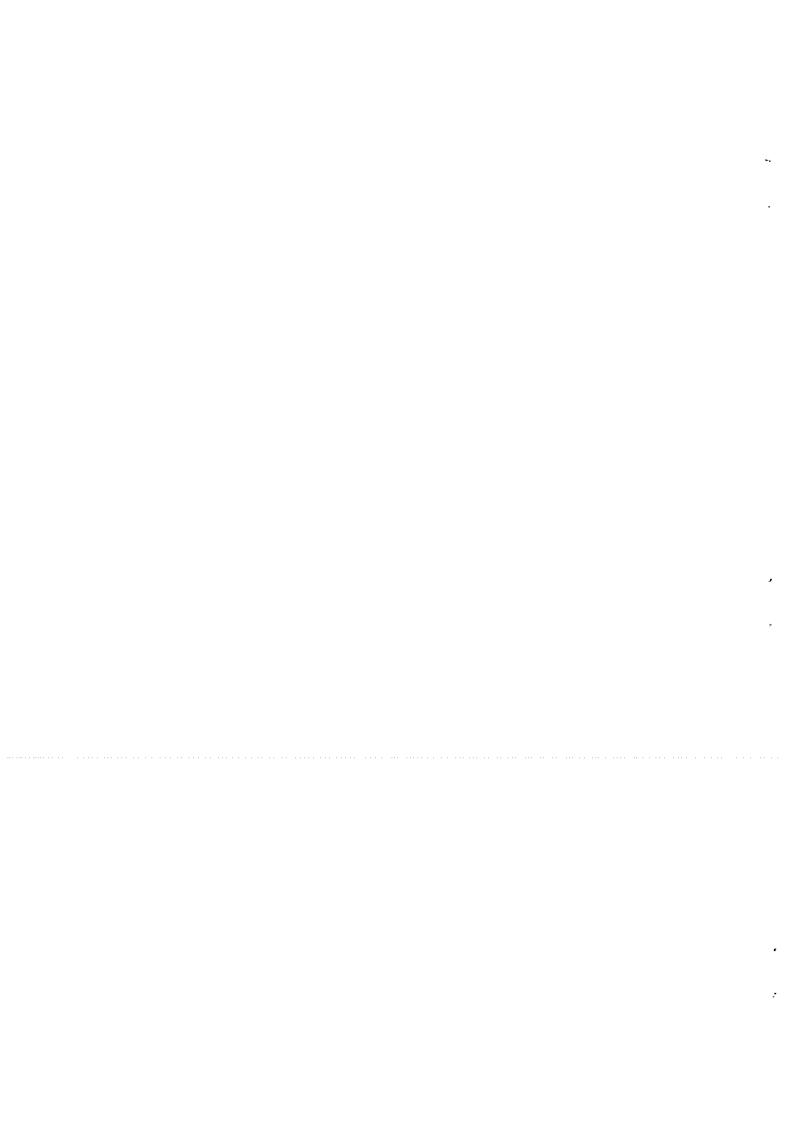
SM

S. Mischen

J. Sharp Chairman G. Mitchell

Executive Officer

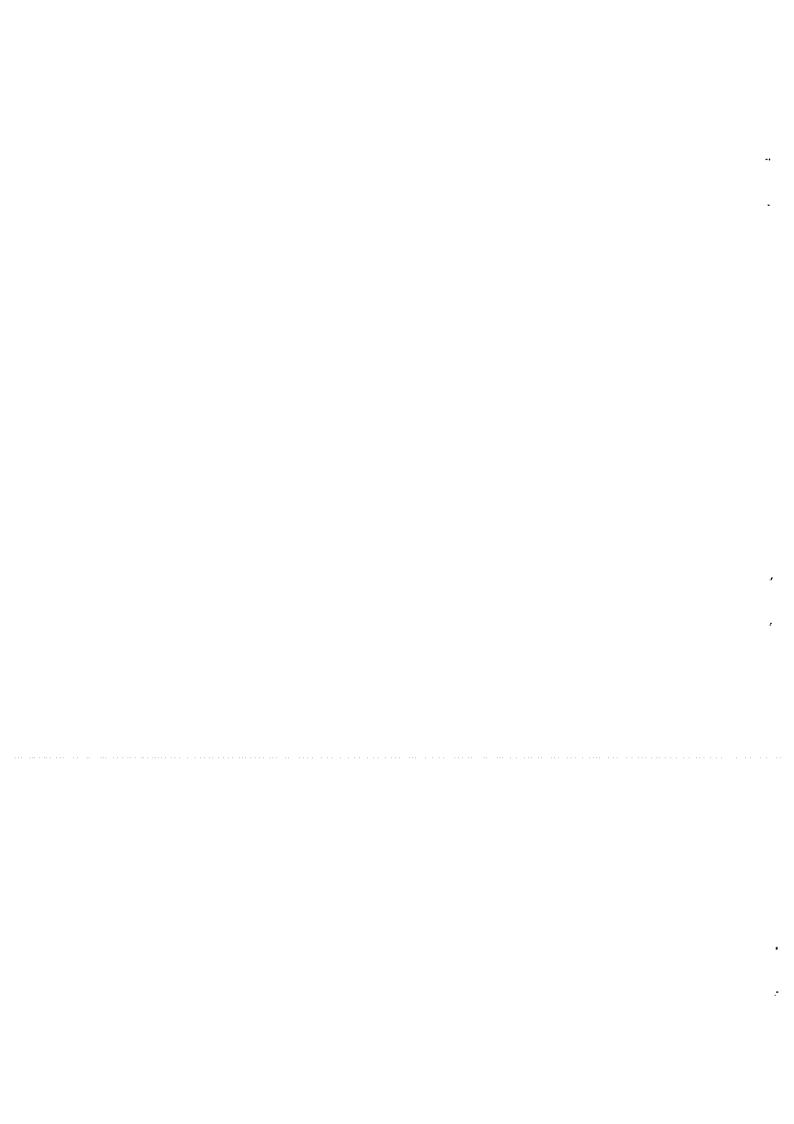
Dated this 12 day of September 2014



INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
INCOME			
Membership fees Sales – manuals Investment income Co-funding Sundry income Change in net market value of investment		485,923 2,377 22,816 300 3,426 514,842	481,122 6,441 21,779 8,637 3,669
EXPENDITURE			
Accounting and audit Advertising sponsorship Bank Charges Computer expenses Conferences, travel and accommodation Consultants and technical support Executive committee expenses Insurance IPWEA support - Management fees Membership Printing, postage and stationery Salary Profit before income tax		6,950 18,725 347 3,368 6,366 103,609 13,359 7,199 55,891 1,628 7,646 210,163 435,251	6,900 19,237 288 14,962 3,425 54,671 8,878 7,245 52,500 11,384 11,056 202,883 393,429
Income tax expense	2	_	_
Profit after income tax		79,591	128,219
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR		369,509	241,290
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		449,100	369,509

The accompanying notes form part of this financial report.



ASSETS AND LIABILITIES STATEMENT AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents Trade and other receivables Prepayments	3 4	480,257 10,381 495	365,136 23,138 449
TOTAL CURRENT ASSETS		491,133	388,723
NON-CURRENT ASSETS			
Financial assets	5	79,521	74,270
TOTAL NON-CURRENT ASSETS		79,521	74,270
TOTAL ASSETS		570,654	462,993
CURRENT LIABILITIES			
Trade and other payables Short-term provisions	6 7	33,859 87,695	12,661 80,823
TOTAL CURRENT LIABILITIES		121,554	93,484
TOTAL LIABILITIES		121,554	93,484
NET ASSETS		449,100	369,509
MEMBERS' FUNDS			
Retained profits		449,100	369,509
TOTAL MEMBERS' FUNDS		449,100	369.509



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. Statement of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2009 (NSW). The Executive Committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements:

(a) Trade 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.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Collectability 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 and Other Payables

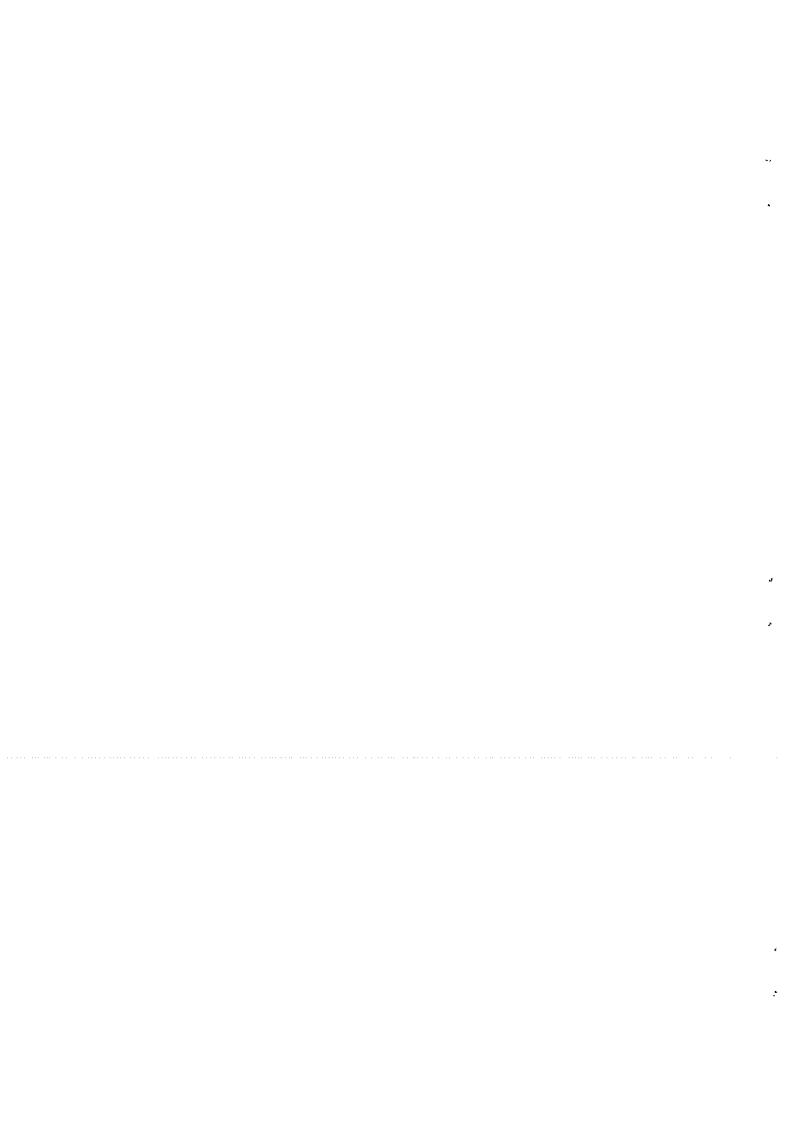
Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition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

(c) Employee Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(d) 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. Statement of Significant Accounting Policies (Continued)

(e) 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 assets and liabilities statement.

2014	2013	
\$	\$	

33,085

36,879

2. Income Tax

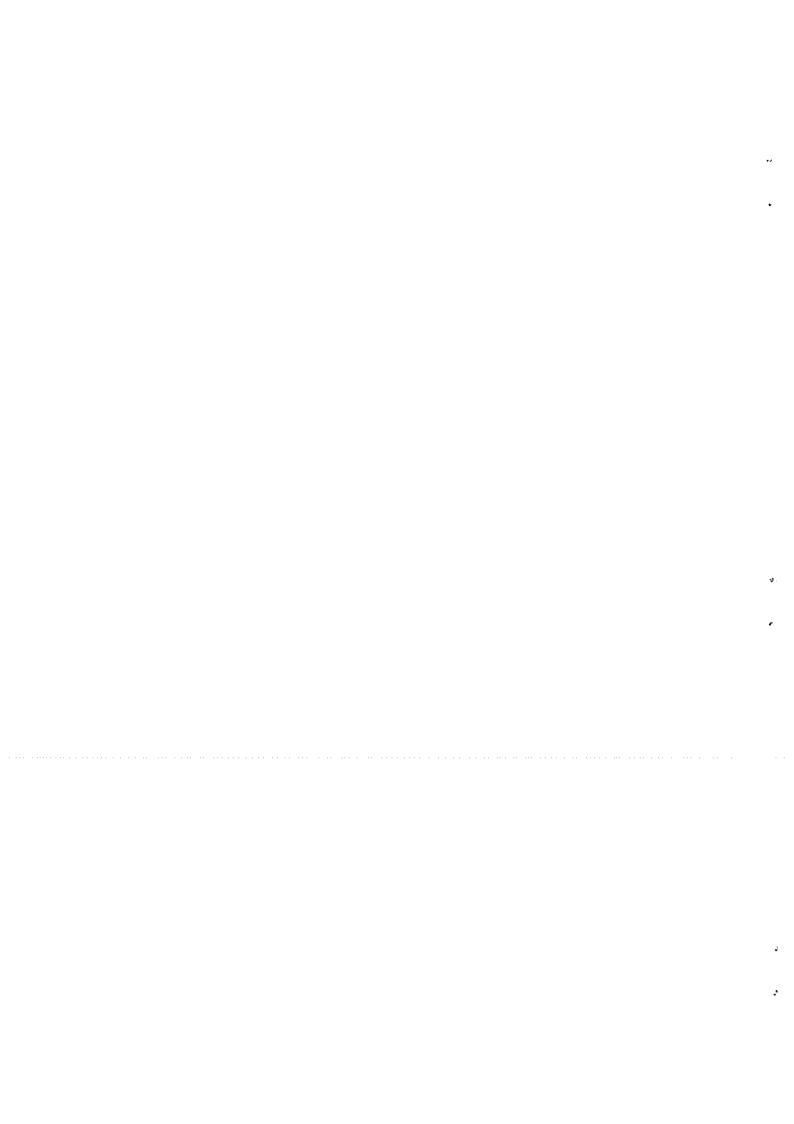
(a) Income tax expense

Tax losses

(i) The components of tax expense comprise: Current tax (ii) The prima facie tax on profit before income tax is reconciled to the income tax as follows: The prima facie tax payable on profit before 38,465 23,877 income tax at 30% (2013: 30%) Tax effect of: - non-taxable member income arising from (27,671)(40,459)principle of mutuality 3,794 1.994 - income tax loss not brought to account Income tax expense (b) Future income tax benefit not recognised

The benefit of these losses will only be obtained if:

- (i) the association derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the association continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iii) no changes in tax legislation adversely affect the association in realising the benefit from the deductions for the losses.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

		2014 \$	2013 \$
3.	Cash and Cash Equivalents		
	Cash at bank Cash on deposit	80,257 400,000	25,136 340,000
		480,257	365,136
4.	Trade and Other Receivables		
	Current		
	Trade receivables GST receivable	1,700 8,681	16,990 6,148
		10,381	23,138
5.	Financial Assets		
	Non-current		
	Unlisted investment, at fair value		
	- Units in unit trust	79,521	74,270
6.	Trade and Other Payables		
	Current		
	Trade payables and accrued expenses	33,859	12,661



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

2014	2013
\$	\$
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7. Provisions

Current

Provision for annual leave	20,179	18,840
Provision for long service leave	67,516	61,983
	87,695_	80,823

8. Other Information

The registered office and principal place of business is:

Water Directorate Incorporated Level 12 447 Kent Street Sydney NSW 2000

There were two employees at year end (2013: One).

