

WaterAid Australia Ltd and Controlled Entities

ABN 99 700 687 141

Financial Statements

For the Year Ended 31 March 2023

WaterAid Australia Ltd and Controlled Entities

ABN: 99 700 687 141

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For the Year Ended 31 March 2023

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WaterAid Australia Ltd and Controlled Entities

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Directors' Report

For the Year Ended 31 March 2023

The directors present their report on WaterAid Australia Ltd and Controlled Entities ('The Group') for the financial year ended 31 March 2023.

The financial statements in the current year include WaterAid Australia Ltd as the parent entity and subsidiaries WaterAid Timor-Leste, WaterAid in PNG Incorporated and WaterAid Cambodia.

(a) General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Retired
Karlene Maywald	
Kate MacMaster	
Mal Shepherd	Retired August 2022
Alexandra Owens	Retired September 2022
Robert Glasser	
Heather Brown	Retired August 2022
Felicity Green	
Salmah Eva-Lina Lawrence	Retired March 2023
Louise Dudley	
Pat McCafferty	
Chiedza Malunga	Appointed August 2022
Brian Krishna	Appointed August 2022
Denisha Anbu	Appointed October 2022

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

Principal activities

The principal activity of WaterAid Australia Ltd and Controlled Entities during the financial year was to improve access to safe water, hygiene and sanitation in the world's poorest communities. We work with partners and influence decision makers to maximise our impact.

There has been no change in our principal activity during the year.

WaterAid Australia Ltd continues to work in many countries across the world to achieve its vision of a world where everyone has access to safe water and sanitation. These include Timor-Leste, Papua New Guinea, Cambodia, Myanmar, Nigeria, Nepal and Bangladesh. In order to engage in this work WaterAid has continued to be successful in raising funds from the Australian community, the Department of Foreign Affairs and Trade and other donors. WaterAid Australia continues to receive strong support from the Australian water industry through the hard work of volunteer committees and payroll giving.

WaterAid Australia Ltd and Controlled Entities

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Directors' Report

For the Year Ended 31 March 2023

Short term objectives

WaterAid Australia's short term objectives are to:

- Continue to build WaterAid's reputation of providing safe water, sanitation and hygiene (WASH) programs and producing high quality evidence-based research and policy on WASH issues in order to influence critical decision makers such as government, corporate organisations and other regional stakeholders.
- Build the WaterAid brand and philanthropic fundraising with the Australian community.
- Continue to expand our operations in South East Asia and the Pacific region. We currently operate in Cambodia, Timor-Leste and Papua New Guinea.
- Continue to build a strong organisation with robust governance structures and a financially sustainable business model.

Long term objectives

The Group's long term objective:

- WaterAid's vision is of a world where everyone has safe water, sanitation and hygiene. Our mission is to transform the lives of the poorest and most marginalised people by improving access to safe water, sanitation and hygiene.

Strategy for achieving the objectives

To achieve these objectives, the Group has adopted the following strategies:

WaterAid Australia, as a member of the WaterAid International Federation, adheres to WaterAid's 7-year global strategy 2015-2022. WaterAid Australia refers to the WaterAid global strategy when it compiles its annual business plan which outlines its annual objectives and strategy for achieving these. Management reports to the Board quarterly on its progress against the business plan.

WaterAid Australia works with local partners to help communities to access safe water and sanitation and we use our experience and research to influence decision makers to do more to provide these vital services. WaterAid Australia only use practical technologies and make sure the right skills exist in communities so that they can keep working long into the future.

Members guarantee

WaterAid Australia Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10 for members that are corporations and \$10 for all other members, subject to the provisions of the company's constitution.

At 31 March 2023 the collective liability of members was \$540 (2022: \$410).

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Directors' Report

For the Year Ended 31 March 2023

Key Performance measures

The Group 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 Group and whether the company's short-term and long-term objectives are being achieved.

	FY2023 Benchmark	FY2022 Benchmark
	%	%
Donations and gift (fundraising) income to total income	33	42.3
Restricted income (Government & Other) to total income	67	57.7
Fundraising and Communications to total expenditure	19.8	19.4
Administration and Accountability to total expenditure	7.2	8.7
International Programs to total expenditure	72.0	70.6
Policy and Campaigns to total expenditure	1	1.3

Information on directors

Hon. Karlene Maywald

Qualifications

Experience

Special Responsibilities

Managing Director, Maywald Consultants, Pty Ltd

GAICD, GradDipBrewing, Hon Doctorate of Laws

The Hon. Karlene Maywald, Chair is Managing Director of Maywald Consultants Pty Ltd, providing specialist advice to the private and public sectors. Karlene's time as a Cabinet Minister with the SA Government has given her extensive experience in high-level strategic planning, oversight of major infrastructure planning and delivery, reform of governance and organisational structures, budget oversight, change management, problem-solving across a broad range of high-risk sectors and driving the delivery of major policy reforms. She has an intuitive ability to analyse and identify key information to support decision making and a very good understanding of the importance of good governance. She uses her inquiring mind to seek innovative solutions to overcome obstacles and generate improvements to service delivery.

Board Chair, Ex officio – Finance, Audit and Risk Management Committee, Ex officio - Program and Advocacy Committee; Ex officio Governance and Nominations Committee.

Kate MacMaster

Qualifications

Experience

Special Responsibilities

Capacity Development Consultant

BSc. REM (Resource and Environmental Management), MSc (Capacity Building for Sustainable Development).

Kate MacMaster, Deputy Chair, is the Principal Consultant, Bendelta. She has two decades of cross-cultural experience, consulting in 16 countries across Australia and Pacific, designing, implementing and evaluating capacity building and leadership programs for organisations across many sectors including international aid and development, the Defence and Intelligence communities, and the Australian and Asian water sectors. Her particular passion focuses on gender equality and social inclusion. Kate is the Lead Facilitator for women in leadership program Homeward Bound 5 – the fifth cohort of 80 women in STEM which will culminate in a 3-week expedition to Antarctica in 2022. She is also an Alumnus from the inaugural 2016 Homeward Bound Leadership Program for Women in STEM and has been on the leadership faculty ever since.

Deputy Chair, Chair - Program and Advocacy Committee, President PNG Board Committee.

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Directors' Report

For the Year Ended 31 March 2023

Mal Shepherd	Chief Development Officer, Sunwater
Qualifications	MBA, GCBA, Dip. Proj Mgt. Assoc Dip. Eng (Civil), AFIE Aust CEngA, EngExec NER, IntETn (Aus), Reg PM-CPPP, MAICD, FAIPM
Experience	Mal Shepherd has over 39 years of experience in the water industry, delivering some of Australia's most significant water infrastructure projects. He is responsible for the development and delivery of water infrastructure projects across Sunwater's area of operations. With a public water utility background, Mal has served most of his career in a variety of leadership roles at a Tier 1 private sector infrastructure company, delivering a portfolio of beneficial projects in domestic and international markets. He is an experienced executive leader and through his understanding of the importance of technical and commercial risk creates sustainable business outcomes.
Special Responsibilities	Finance, Audit and Risk Management Committee, Water Industry Advisory Group.
Alexandra Owens	Principal Legal Officer at Department of Premier and Cabinet (NSW)
Qualifications	BA (Hons), LLB (Hons), LLM
Experience	Alexandra Owens is a Principal Legal Officer in the NSW Department of Premier and Cabinet. Prior to this, she worked at the Department of Foreign Affairs and Trade for 7 years, including a posting in Timor-Leste, and has held other legal and policy roles in the private and not for profit sectors.
Special Responsibilities	Finance, Audit and Risk Management Committee; Chair - Governance and Nominations Committee.
Robert Glasser	Visiting Fellow at ASPI and Honorary Associate Professor at ANU
Qualifications	BA (UCLA) MA (ANU), PhD (ANU)
Experience	Robert Glasser is the Head of the Climate and Security Policy Centre at the Australian Strategic Policy Institute. Robert has over 30 years of experience as a practitioner, advocate and policymaker in the areas of climate change, sustainable development and disaster response. He was previously the United Nations Secretary General's Special Representative for Disaster Risk Reduction, Head of the United Nations Office of Disaster Risk Reduction (UNISDR) and a member of the UN Secretary General's Senior Management Group. He was also previously the Secretary-General of CARE International, Chief Executive of CARE Australia and an Assistant Director-General of the Australian Aid Programme (AusAID).
Special Responsibilities	Finance, Audit and Risk Management Committee, Governance and Nominations Committee, Program and Advocacy Committee.
Heather Brown	Gender Equality Consultant
Qualifications	Masters (International Development), Bachelors (International Development)
Experience	Heather Brown has over 20 years of experience in international development including senior management in Australian NGOs as Program Director for the International Women's Development Agency (IWDA) and Plan International Australia. Heather currently works as the Manager of Design, Evaluation and Impact at Our Watch. She also worked as a consultant in the areas of gender equality, eliminating violence against women and providing organisational development advice for Women's Rights Organisations in the Pacific, Australian NGOs and development organisations and United Nations agencies.
Special Responsibilities	Program and Advocacy Committee, Governance Nominations Committee

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For the Year Ended 31 March 2023

Felicity Green	Strategy Consultant
Qualifications	AICD Directors' Course, Australian Institute of Company Directors (2017), Social Return on Investment Practitioner - Social Ventures Australia (2014), MBA (Strategy), Bachelor of Arts (Linguistics & Chinese)
Experience	Felicity Green is the Co-founder & Director of for-purpose consulting firm Ensemble Strategy. She works predominantly with not-for-profit, government and philanthropic organisations on strategic planning and funding for sustainability. Felicity has extensive experience in profit for purpose funding models, cross-sector collaborations and social innovation.
Special Responsibilities	Finance, Audit and Risk Management Committee.
Dr Salmah Eva-Lina Lawrence	Director Systemic Change & Partnerships, International Women's Development Agency, and Adjunct Fellow, Macquarie University
Qualifications	Doctor (Philosophy in Gender and Cultural Studies), Graduate (Institute for Qualitative and Multi-method Research), Master International & Community Development (Gender), MA International Relations, Master (Business Administration), BA (Hons) Political Studies with Philosophy, History & Economics.
Experience	Dr Salmah Eva-Lina Lawrence is a transformation strategist and social scientist. She has run risk management consulting practices for Deloitte & Touche in London, New York and Sydney, worked for United Nation's agencies and for CSOs/NGOs in strategic and operational management. She now works to decolonise international development through her roles in executive management and governance. In her scholarly life she researches decolonial ethics, epistemology and feminism drawing from the ethics and epistemologies of her own Papua New Guinean and matrilineal culture within a broader Oceanic / Pasifika culture. Salmah is currently Director of Systemic Change & Partnerships at IWDA (International Women's Development Agency), Honorary Associate Professor, ANU and Adjunct Fellow, Macquarie University.
Special Responsibilities	Program and Advocacy Committee, Governance and Nominations Committee.
Louise Dudley	Strategic Advisor, Aurecon
Qualifications	BComm, CA, GAICD, ComplEAustEngExec
Experience	Louise Dudley is a professional non-executive director and strategic water advisor to Aurecon group. Louise has more than 15 years of experience as a Director, Chair, Board Committee Chair and Committee member in water, financial services and not for profit sectors. She currently serves on water related boards in Australia and the USA, reflecting her personal commitment to the water sector. Louise has also held senior executive roles including Chief Executive Officer of Urban Utilities from 2012 to 2022, and prior to this, was the utility's founding Chief Financial Officer. Prior to joining Urban Utilities, Louise held senior executive roles in the local government and aged care sectors and spent 17 years with global consultancy KPMG. Louise holds a range of qualifications including a Bachelor of Commerce, Chartered Accountant (AC) and Certificate of Superannuation Management and has completed AICD's Company Directors Program and INSEAD's Executive Educations Program. She is a member of Chief Executive Women and her contribution to the engineering profession was acknowledged by the awarding of an Engineering Executive (ComplEAustEngExec) in 2021.
Special Responsibilities	Chair - Finance, Audit and Risk Management Committee.

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Directors' Report

For the Year Ended 31 March 2023

Pat McCafferty	Managing Director, Yarra Valley Water
Qualifications	BBus (Acc), Exec. MBA, GAICD, FWCLP, FIWA
Experience	Pat McCafferty is the Managing Director of Yarra Valley Water, one of Australia's largest water utilities with over 30 years of experience in the Water Sector including advising the Federal Government as part of the National Water Initiative and working in the USA water sector. He is also Chair of the Thriving Communities Partnership and past Chair of the Water Services Association of Australia. Pat is a member of the Leadership Oversight Committee for the Victorian Government's Women in Water program and is a member of the Committee for Melbourne's Sustainability and Infrastructure Committee. He is a signatory to the UN Global Compact and a passionate advocate of the Sustainable Development Goals.
Special Responsibilities	Finance, Audit and Risk Management Committee, Water Industry Advisory Group, Governance and Nominations Committee.
Denisha Anbu	General Manager, Governance and Assurance and Corporate Secretary at Sydney Water
Qualifications	BA, LLB (Hons 1), LLM, GAICD, FGIA
Experience	Denisha is a practising lawyer and governance professional with over 20 years experience in commercial law and corporate governance, across a variety of sectors. Denisha is currently an Executive General Manager of Sydney Water (and the Corporate Secretary), and leads multi-functional teams, providing trusted advice to meet legal and regulatory obligations, manage risk, and enable delivery of business objectives. Prior to joining Sydney Water 10 years ago, Denisha practised law in a top-tier global law firm (King & Wood Mallesons) for 14 years, focusing on technology transactions and intellectual property law. Denisha has a Bachelor of Arts, a Bachelor of Laws (Hons 1), a Masters of Law, is a graduate of the Australian Institute of Company Directors and is a fellow of the Governance Institute of Australia.
Special Responsibilities	Chair – Governance and Nominations Committee, Finance, Audit and Risk Management Committee
Chiedza Malunga	Monash Refugee Health and Wellbeing, Migrant and Refugee Health partnership, SPHERE (NHMRC Centre of Research Excellence in Sexual and Reproductive Health for Women in Primary Care)
Qualifications	BSW (Hons), MPH
Experience	Chiedza is a public health professional with experience in refugee health and sexual and reproductive health and research in multicultural communities. Chiedza has worked in statewide programs across Victoria, ranging from individual and community-based programs through to policy and advocacy initiatives.
Special Responsibilities	Program and Advocacy Committee
Brian Krishna	Managing Director, Xylem ANZ
Qualifications	MBA
Experience	Brian Krishna is the Managing Director for Xylem Australia and New Zealand and brings with him over 25 years experience in the water sector. He is responsible for delivering sustainable and efficient water technology solutions to clients across the ANZ region. With a private sector background, Brian has an MBA and has served most of his career in management and executive leadership positions across Asia Pacific - driving growth through innovation and education. Brian is an experienced executive leader focused on overcoming water challenges through strategic planning, community engagement and a diverse and equitable workplace.
Special Responsibilities	Program and Advocacy Committee

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Directors' Report

For the Year Ended 31 March 2023

Meetings of directors

During the financial year, 4 meetings of directors (in addition to committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Audit & Risk Management		Program and Advocacy Committee		Governance and Nominations Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Karlene Maywald	4	4	-	-	-	-	-	-
Kate MacMaster	4	3	-	-	3	2	-	-
Mal Shepherd	1	1	1	1	-	-	-	-
Alexandra Owens	2	2	1	1	-	-	2	2
Robert Glasser	4	3	1	1	3	3	3	3
Heather Brown	1	1	-	-	-	-	1	1
Felicity Green	4	3	3	2	-	-	-	-
Salmah Lawrence	4	2	-	-	3	2	3	3
Louise Dudley	4	3	3	3	-	-	-	-
Pat McCafferty	4	3	2	2	-	-	2	1
Chiedza Malunga	3	3	-	-	3	3	-	-
Brian Krishna	3	2	-	-	3	3	-	-
Denisha Anbu	2	2	2	2	-	-	1	1

(b) ACFID Code of Conduct

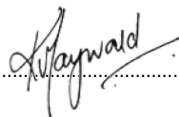
The summary financial reports have been prepared in accordance with the requirements set out in the ACFID Code of Conduct.

(c) Auditor's independence declaration

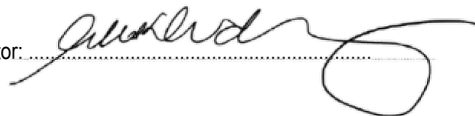
The lead auditor's independence declaration in accordance with section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012, for the year ended 31 March 2023 has been received and can be found on page 9 of the financial report.

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

Director:



Director:



Dated

6 July 2023

WaterAid Australia Ltd and Controlled Entities

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Auditors Independence Declaration to the Directors of WaterAid Australia Ltd and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2023, there has been:

- (i) no contraventions of the auditors independence requirements of section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Saward Dawson



Matthew Crouch

20 Albert St
Blackburn VIC 3130

Dated: 13 July 2023

WaterAid Australia Ltd and Controlled Entities

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2023

	2023	2022
	\$	\$
REVENUE		
Donations and Gifts		
- Monetary	5,345,553	6,629,323
- Non-Monetary	-	-
Bequests and Legacies	8,458	27,670
Grants		
- Department of Foreign Affairs and Trade (DFAT)	7,895,107	6,280,317
- WaterAid UK	102,022	317,611
- WaterAid Other Members	1,897,794	2,082,695
- Other Australian Grants	693,798	121,030
- Other Overseas Grants	341,611	162,998
Investment Income	79,876	9,319
Other income	159,339	122,022
Revenue for International Political or Religious Adherence Promotion	-	-
TOTAL REVENUE	16,523,558	15,752,985
EXPENDITURE		
International Aid and Development Programs Expenditure		
International programs		
- Funds to international programs	(9,850,953)	(8,992,393)
- Other project costs	(3,752,234)	(2,334,883)
Community education	(181,701)	(204,520)
Fundraising costs		
- Public	(3,735,192)	(3,119,554)
- Government, Multilateral and Private	-	-
Accounting and Administration	(1,363,020)	(1,396,788)
Non-Monetary Expenditure	-	-
Total International Aid and Development Programs Expenditure	18,883,100	16,048,138
International Political or Religious Proselytisation Programs Expenditure	-	-
Domestic programs expenditure	-	-
TOTAL EXPENDITURE	18,883,100	16,048,138
Net current year surplus / (deficit)	(2,359,542)	(295,153)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign controlled entities	46,653	(40,682)
Total comprehensive income for the year	(2,312,889)	(335,835)

The accompanying notes form part of these financial statements.

WaterAid Australia Ltd and Controlled Entities

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Statement of Financial Position

As at 31 March 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	5,040,659	6,136,955
Trade and other receivables	6	858,533	2,714,033
Other financial assets	7	-	2,500,000
Contract assets	8	669,263	391,968
Other assets	9	252,979	687,153
TOTAL CURRENT ASSETS		6,821,434	12,430,109
NON-CURRENT ASSETS			
Right-of-use assets	10	358,406	301,645
Property, plant and equipment	11	296,410	253,472
Intangible assets	12	11,012	18,279
TOTAL NON-CURRENT ASSETS		665,828	573,396
TOTAL ASSETS		7,487,262	13,003,505
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	613,489	564,209
Lease liabilities	10	241,034	144,407
Employee provisions	14	654,608	577,298
Other liabilities	15	2,162,740	5,518,973
TOTAL CURRENT LIABILITIES		3,671,871	6,804,887
NON-CURRENT LIABILITIES			
Lease liabilities	10	131,421	184,461
Employee provisions	14	37,930	55,228
TOTAL NON-CURRENT LIABILITIES		169,351	239,689
TOTAL LIABILITIES		3,841,222	7,044,576
NET ASSETS		3,646,040	5,958,929
EQUITY			
Retained earnings		3,640,069	5,999,611
Reserves		5,971	(40,682)
TOTAL EQUITY		3,646,040	5,958,929

The accompanying notes form part of these financial statements.

WaterAid Australia Ltd and Controlled Entities

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Statement of Changes in Equity

For the Year Ended 31 March 2023

2023

	Retained Earnings	Foreign Currency Translation Reserve	Total
	\$	\$	\$
Balance at 1 April 2022	5,999,611	(40,682)	5,958,929
Net surplus / (deficit)	(2,359,542)	-	(2,359,542)
Adjustments from translation of foreign controlled entities	-	46,653	46,653
Balance at 31 March 2023	3,640,069	5,971	3,646,040

2022

	Retained Earnings	Foreign Currency Translation Reserve	Total
	\$	\$	\$
Balance at 1 April 2021	6,294,764	-	6,294,764
Net surplus / (deficit)	(295,153)	-	(295,153)
Adjustments from translation of foreign controlled entities	-	(40,682)	(40,682)
Balance at 31 March 2022	5,999,611	(40,682)	5,958,929

The accompanying notes form part of these financial statements.

WaterAid Australia Ltd and Controlled Entities

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Statement of Cash Flows

For the Year Ended 31 March 2023

	2023	2022
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members, donors and supporters	15,300,470	17,252,160
Payments to suppliers and employees	(18,311,433)	(17,092,440)
Interest received/(paid)	49,559	(31,332)
Net cash provided by operating activities	16 (2,961,404)	128,388
CASH FLOWS FROM INVESTING ACTIVITIES:		
Redemption/(Placement) of term deposits	2,500,000	(423,255)
Purchase of property, plant and equipment	(227,736)	(177,135)
Proceeds from sale of property, plant and equipment	11,715	-
Net cash used by investing activities	2,283,979	(600,390)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment for leases	(465,524)	(274,161)
Net cash used by financing activities	(465,524)	(274,161)
Net cash increase (decrease) in cash and cash equivalents	(1,142,949)	(746,163)
Cash and cash equivalents at beginning of year	6,136,955	6,923,800
Effect of exchange rates on holdings in foreign currencies	46,653	(40,682)
Cash and cash equivalents at end of financial year	5 5,040,659	6,136,955

The accompanying notes form part of these financial statements.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

WaterAid Australia Ltd and Controlled Entities applies Australian Accounting Standards – Simplified Disclosures as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) - Simplified Disclosures, Australian Council for International Development Code of Conduct and the *Australian Charities and Not-for-profits Commission Act 2012*. The Group is a not-for-profit group for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions. 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 cover WaterAid Australia Ltd (incorporated company limited by guarantee and domiciled in Australia) and the controlled entities being, WaterAid Timor-Leste, WaterAid in PNG Incorporated and WaterAid Cambodia. The directors have determined that WaterAid Australia Ltd controls WaterAid Timor-Leste, WaterAid in PNG Incorporated and WaterAid Cambodia.

(b) Principles of Consolidation

The financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated group have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled group's financial position, performance and cash flows where the accounting policies used by that group were different from those adopted by the consolidated group. All controlled entities have a March financial year end.

A list of controlled entities is contained in Note 1 (a) to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the group and has the ability to affect those returns through its power to direct the relevant activities of the group.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

(c) Revenue and other income

Operating grants, donations and bequests

When the Group receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Group:

- identifies each performance obligation relating to the grant,
- recognises a contract liability for its obligations under the agreement, and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116, AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

A contract asset is recognised for revenue recognised not yet billed due to the milestone billing arrangements in the contract. Once an invoice is issued, the corresponding contract asset is reclassified to trade receivables. A contract liability is recognised if the milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

Interest income

Interest income is recognised using the effective interest method.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

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

No revenue was raised or expended on any international political or religious proselytisation program.

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

(d) Plant and Equipment

Plant and equipment are measured at cost. 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 the estimated recoverable amount, the carrying amount is written down immediately to the 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 Group 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 plant and equipment is depreciated on a straight-line method over the asset's useful life to the group entities commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	20 - 33.3%
Fixtures and Fittings	20 - 33.3%
Motor Vehicles	33.3%
Computer Hardware	33.3%

Vehicles are used in Timor-Leste, Papua New Guinea and Cambodia and are depreciated over a three year expected useful life.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised 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.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

(e) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) Impairment of Assets

At the end of each reporting period, the group reviews the carrying amounts 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 amount. Any excess of the asset's carrying amount 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 group 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.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

(f) Impairment of Assets

Where it is not possible to estimate the recoverable amount of an asset's class, the Group 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.

(g) Employee benefits

Short-term employee provisions

Provision is made for the group'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 leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

The group's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions. Contributions are made by the group to an employee superannuation fund and are charged as expenses when incurred.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, term deposits, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(i) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers 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 method, less any provision for impairment. Refer to Note 1(f) for further discussion on the determination of impairment losses.

(j) Goods and Services Tax (GST)

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

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

(j) Goods and Services Tax (GST)

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

Cash flows in the statement of cash flows are included on a gross basis. The GST component of cash flows arising from investing and 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.

(k) Income Tax

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

WaterAid Australia Ltd is registered with the Australian Charities and Not-for-profit Commission as a Public Benevolent Institution and operates WaterAid Australia Overseas Aid Fund which holds deductible gift recipient status.

WaterAid Cambodia is exempt from income tax under a memorandum of understanding with the Royal Government of Cambodia.

WaterAid Timor-Leste is exempt from income tax by the virtue of the National Directorate of Domestic Revenue Timor-Leste.

WaterAid in PNG is exempt from income tax under Section 25 of the Income Tax Act.

(l) Intangible Assets

Software and other intangible assets are recorded at cost. They have been assessed as having a finite life and are carried at cost less any accumulated amortisation and impairment losses. They have an estimated useful life of between one and five years and are assessed annually for impairment.

(m) 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 group 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.

(n) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(o) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each group is measured using the currency of the primary economic environment in which that group operates. The consolidated financial statements are presented in Australian dollars, which is the parent group's functional and presentation currency.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

(o) Foreign Currency Transactions and Balances

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in other comprehensive income as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position via other comprehensive income. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Summary of Significant Accounting Policies

(p) Critical accounting estimates and judgments

The directors make estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future event and are based on current trends and economic data, obtained both externally and within the group. The significant estimates and judgements made have been described below:

Key estimates - Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimates - Useful lives of property, plant and equipment

As described in Note 1(d), the group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgments - Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The group expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Key judgements - Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature, cost, quantity and the period of transfer related to the goods or services promised.

Key judgements - Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the group will make. The group determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the group.

(q) Economic dependence

The group is dependent on the Federal Government for the majority of its revenue used to operate the business. At the date of this report, the directors have no reason to believe that the Government will not continue to support the group.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Revenue and Other Income

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Grants	11,108,263	9,391,428
<i>Other revenue</i>		
Donations and bequests	5,176,079	6,230,216
Interest Received	79,876	9,319
Gain on disposal of property, plant and equipment	34,366	54,135
Foreign currency exchange gain	121,208	42,702
Other income	3,766	24,209
	<u>5,415,295</u>	<u>6,360,581</u>
	<u>16,523,558</u>	<u>15,752,009</u>

3 Expenses from ordinary activities

Finance costs

Interest expense on lease liabilities	30,317	40,651
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Depreciation and Amortisation

Depreciation of property, plant & equipment and intangible assets	194,640	146,304
Amortisation of right-of-use assets	433,577	289,723
	<u>628,217</u>	<u>436,027</u>

Leases

Short-term and low-value assets lease payments	30,741	209,748
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Superannuation expense

Defined contribution superannuation expense	403,677	294,034
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4 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of WaterAid Australia during the year are as follows:

Key management personnel compensation	713,764	721,862
	<u>713,764</u>	<u>721,862</u>

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

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

5 Cash and cash equivalents

	2023	2022
	\$	\$
Cash on hand	16,678	12,780
Cash at bank	4,023,981	6,124,175
Term deposit	1,000,000	-
	<u>5,040,659</u>	<u>6,136,955</u>

WaterAid Australia has a 3 months term deposit with Westpac with an interest rate of 3.95%

6 Trade and other receivables

CURRENT

Trade receivables	693,829	2,554,605
Provision for doubtful debts	-	-
	<u>693,829</u>	<u>2,554,605</u>
Other receivables	164,704	159,428
	<u>858,533</u>	<u>2,714,033</u>

The group's credit terms are usually 30 days.

7 Other financial assets

Term Deposits	-	2,500,000
	<u>-</u>	<u>2,500,000</u>

8 Contract Balances

The Group has recognised the following contract assets from contracts with customers:

CURRENT

Contract assets	669,263	391,968
	<u>669,263</u>	<u>391,968</u>

These contract assets relate to grant contracts where the group has recognised an asset for work performed and where the group has a right to payment when milestones are achieved. A contract asset is recognised for work previously performed. When invoicing takes place, any amount that has previously been classified as a contract asset will be reclassified to trade receivables.

Impairment of contract assets

The group has applied the expected credit loss model based on lifetime expected loss allowance for contract assets. Contract assets relate to unbilled work and the group has applied previous historical expected loss rates. Contract assets have a different credit risk profile to trade receivables; as such, a separate expected loss rate is applied. No impairment losses were recognised in relation to these assets.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

9 Other assets

	2023	2022
	\$	\$
Prepayments	151,979	198,951
Partner Advances	101,000	488,202
	<u>252,979</u>	<u>687,153</u>

10 Leases

The group's lease portfolio includes photocopiers and rented property. These leases have lease terms between 1 and 3 years.

Option to extend or terminate

The option to extend or terminate are contained in several of the property leases of the group. There were no extension options for equipment leases. These clauses provide the group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the group. The extension options or termination options which were probable to be exercised have been included in the calculation of the Right of use asset.

Right-of-use assets

Leases - WaterAid Australia	308,828	8,868
Accumulated amortisation - WaterAid Australia Leases	(241,817)	(8,868)
	<u>67,011</u>	<u>-</u>
Leases - WaterAid Cambodia	60,060	184,364
Accumulated amortisation - WaterAid Cambodia leases	(1,540)	(36,873)
	<u>58,520</u>	<u>147,491</u>
Leases - WaterAid Papua New Guinea	325,445	114,581
Accumulated amortisation - WaterAid PNG	(150,503)	(54,519)
	<u>174,942</u>	<u>60,062</u>
Leases - WaterAid Timor Leste	301,521	260,013
Accumulated amortisation - WaterAid Timor Leste Leases	(243,588)	(165,921)
	<u>57,933</u>	<u>94,092</u>
	<u>358,406</u>	<u>301,645</u>

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

10 Leases

Right-of-use assets

	2023	2022
	\$	\$
Movements in carrying amounts:		
Leased Buildings Australia		
Opening net carrying amount	-	131,092
Additions	308,828	-
Amortisation	(241,817)	(131,092)
Net Carrying Amount	67,011	-
Leased Photocopier Australia		
Opening net carrying amount	-	5,912
Amortisation	-	(5,912)
Net Carrying Amount	-	-
Leased Buildings Cambodia		
Opening net carrying amount	147,491	184,330
Additions/(Disposal)	(47,500)	-
Amortisation	(41,471)	(36,839)
Net Carrying Amount	58,520	147,491
Leased Buildings PNG		
Opening net carrying amount	60,062	-
Additions	265,383	114,581
Amortisation	(150,503)	(54,519)
Net Carrying Amount	174,942	60,062
Leased Buildings Timor Leste		
Opening net carrying amount	94,092	57,965
Additions	21,885	89,866
Amortisation	(58,044)	(53,739)
Net Carrying Amount	57,933	94,092
Total Right of use asset	358,406	301,645

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

10 Leases

Lease liabilities

	2023	2022
	\$	\$
CURRENT		
Lease liabilities - WaterAid Australia	72,645	-
Lease liabilities - WaterAid Cambodia	14,635	31,063
Lease liabilities - WaterAid PNG	100,060	59,700
Lease liabilities - WaterAid Timor Leste	53,694	53,644
	<u>241,034</u>	<u>144,407</u>
NON-CURRENT		
Lease liabilities - WaterAid Australia	-	-
Lease liabilities - WaterAid Cambodia	45,876	131,722
Lease liabilities - WaterAid PNG	75,788	5,214
Lease liabilities - WaterAid Timor Leste	9,757	47,525
	<u>131,421</u>	<u>184,461</u>

Maturity Analysis of Lease Liabilities

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in the Statement of Financial Position
	\$	\$	\$	\$	\$
2023					
Lease liabilities	250,552	129,115	-	383,356	372,455
2022					
Lease liabilities	176,510	215,170	-	393,703	328,868

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

11 Plant and equipment

	2023	2022
	\$	\$
Plant and Equipment		
At cost	63,737	67,778
Accumulated depreciation	(34,164)	(48,402)
Total plant and equipment	<u>29,573</u>	<u>19,376</u>
Fixtures and Fittings		
At cost	1,979	1,979
Accumulated depreciation	(1,979)	(1,979)
Total fixtures and fittings	<u>-</u>	<u>-</u>
Motor Vehicles		
At cost	425,222	441,916
Accumulated depreciation	(309,784)	(364,248)
Total motor vehicles	<u>115,438</u>	<u>77,668</u>
Computer Hardware		
At cost	441,948	439,240
Accumulated depreciation	(290,549)	(282,812)
Total computer hardware	<u>151,399</u>	<u>156,428</u>
Total plant and equipment	<u><u>296,410</u></u>	<u><u>253,472</u></u>

(a) Movements in carrying amounts of property, plant and equipment

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	Fixtures and Fittings	Motor Vehicles	Computer Hardware	Total
	\$	\$	\$	\$	\$
Year ended 31 March 2023					
Balance at the beginning of the year	19,376	-	77,668	156,428	253,472
Additions	18,961	-	117,562	93,788	230,311
Depreciation expense	(8,764)	-	(79,792)	(98,817)	(187,373)
Balance at the end of the year	<u><u>29,573</u></u>	<u><u>-</u></u>	<u><u>115,438</u></u>	<u><u>151,399</u></u>	<u><u>296,410</u></u>

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

12 Intangible Assets

	2023	2022
	\$	\$
Computer Software		
Cost	43,710	45,483
Accumulated amortisation and impairment	(32,698)	(27,204)
	<u>11,012</u>	<u>18,279</u>

13 Trade and other payables

CURRENT

Trade payables	172,854	209,447
Accrued expenses and other payables	440,635	354,762
	<u>613,489</u>	<u>564,209</u>

14 Employee provisions

CURRENT

Annual leave	364,730	321,159
Long service leave	289,878	256,139
	<u>654,608</u>	<u>577,298</u>

NON-CURRENT

Long service leave	37,930	55,228
Total employee provisions	<u>692,538</u>	<u>632,526</u>

15 Other Liabilities

CURRENT

Government grants in advance	1,716,061	5,153,771
Income in advance	446,679	365,202
	<u>2,162,740</u>	<u>5,518,973</u>

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

16 Cash Flow Information

Reconciliation of result to net cash provided by operating activities:

	2023	2022
	\$	\$
Surplus/(deficit) for the year	(2,359,542)	(295,153)
Non-cash flows in surplus/(deficit):		
- depreciation and amortisation	628,217	436,026
- net loss (gain) on disposal of non-current assets	(11,715)	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,578,205	(2,112,807)
- (increase)/decrease in other assets	434,174	(611,300)
- increase/(decrease) in trade and other payables	49,280	88,412
- increase/(decrease) in other liabilities	(3,356,233)	2,579,581
- increase/(decrease) in provisions	76,210	43,629
Cash flow from operations	(2,961,404)	128,388

17 Remuneration of Auditors

Remuneration of the auditor Saward Dawson, for:

- Audit of the financial statements	40,050	34,700
- Preparation of financial statements	6,200	6,100
- Other services	7,350	6,900
Total	53,600	47,700

18 Reserves

Foreign currency translation reserve	5,971	(40,682)
Total reserves	5,971	(40,682)

(a) Foreign Revaluation Reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

19 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

20 Related Parties

The group's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of that group is considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 4: Key Management Personnel Compensation.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

(c) Transactions with related parties

Donations were received from directors during the year with no benefit provided in return. The following transactions occurred with related parties:

	2023	2022
	\$	\$
a) Revenue from director-related entities		
Australian Water Association (Francois Gouws)	-	20,050
Australian Water Association (Karlene Maywald)	50	-
John Holland (Mal Shepherd)	39,800	-
SA Department of Environment and Water (Karlene Maywald)	5,500	-
Sydney Water (Denisha Anbu)	57,400	-
Trility (Francois Gouws)	-	16,000
Xylem (Brian Krishna)	87,227	-
Yarra Valley Water and Thriving Communities (Pat McCafferty)	49,637	-
Water Services Association of Australia (Pat McCafferty)	9,700	-
	<u>249,314</u>	<u>36,050</u>
b) Expenditure to director related entities		
Total value of expenditure to director related entities	<u>1,296</u>	<u>5,348</u>
c) Donations from directors		
Total value of donations from directors	<u>2,757</u>	<u>9,385</u>
	Number	Number
Number of donations	<u>32</u>	<u>44</u>

WaterAid Australia Ltd and Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 March 2023

21 Financial Risk Management

(a) Net Fair Values

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The aggregate net fair value of financial assets and financial liabilities approximate their carrying amounts as disclosed in the Statement of Financial Position and in the Notes to the Financial Statements.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to the financial statements are as follows:

	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	5,040,659	6,136,955
Trade and other receivables	858,533	2,714,033
Other financial assets	-	2,500,000
Contract assets	669,263	391,968
Total financial assets	6,568,455	11,742,956
Financial Liabilities		
Trade and other payables	613,489	564,209
Lease liabilities	372,455	328,868
Total financial liabilities	985,944	893,077

22 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 31 March 2023 the number of members was 54 (2022: 41).

23 Company Details

The registered office of and principal place of business of the company is:

WaterAid Australia Ltd
3 Albert Coates Lane
Melbourne, VIC 3000
Australia

WaterAid Australia Ltd and Controlled Entities

ABN: 99 700 687 141

Directors' Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes of WaterAid Australia Ltd for the year ended 31 March 2023 are in accordance with the Australian Council for International Development Code of Conduct and the Australian Charities and Not-for-profit Commission Act 2012, including:
 - a. complying with Australian Accounting Standards, the Australian Council for International Development Code of Conduct and the Australian Charities and Not-for-profit Commission Regulations 2022; and
 - b. giving a true and fair view of the financial position as at 31 March 2023 and of its performance for the financial year ended on that date;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director



Director

Dated 6 July 2023

WaterAid Australia Ltd and Controlled Entities

ABN: 99 700 687 141

Independent Audit Report to the members of WaterAid Australia Ltd and Controlled Entities

Opinion

We have audited the accompanying financial report, being a general purpose financial report of WaterAid Australia Ltd and Controlled Entities (the Group), which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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 the Group is in accordance with the Australian Council for International Development Code of Conduct and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), including:

- (i) giving a true and fair view of the Group's financial position as at 31 March 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, the Australian Council for International Development Code of Conduct and the Australian Charities and Not-for-profits Commission Regulations 2022.

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 Group in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 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 ACNC Act, which has been given to the directors of the Group, 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.

WaterAid Australia Ltd and Controlled Entities

ABN: 99 700 687 141

Independent Audit Report to the members of WaterAid Australia Ltd and Controlled Entities

Responsibilities of Directors for the Financial Report

The directors of the Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Australian Council for International Development Code of Conduct and the ACNC Act. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered group's financial reporting process.

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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the registered group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

WaterAid Australia Ltd and Controlled Entities

ABN: 99 700 687 141

Independent Audit Report to the members of WaterAid Australia Ltd and Controlled Entities

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Saward Dawson

Saward Dawson



Matthew Crouch

Blackburn, VIC

Date: 13 July 2023