AUSTRALIAN GLASS AND WINDOW ASSOCIATION

ANNUAL REPORT 2020

VERSION 1

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AUSTRALIAN GLASS & WINDOW ASSOCIATION

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ABOUT AGWA

The Australian Glass & Window Association (AGWA) is the peak association for the window and glazing industry, representing over 1,000 member companies covering window manufacturers, glass manufacturers, glass processors, merchants, glaziers and suppliers of supporting machinery, services and materials. We endorse compliant, sustainable and fit-for-purpose products and provide services to members that support their efforts to operate successfully.

AGWA delivers access to increased expertise for all members and stakeholders in key areas, including:

- Technical support
- Training
- Accreditation and Compliance
- Communication
- Workplace Health and Safety
- Marketing
- Events

Members enjoy significant member services including, technical support, multiple state and national events bringing the whole industry together, member communications, access to face-to-face and online training, multiple accreditation schemes, access to WHS support, significant marketing opportunities and a state chapter presence increasing networking opportunities for members.

AGWA
AUSTRALIAN GLASS & WINDOW ASSOCIATION

CHAIRMAN'S AGM REPORT FOR 2020

JEFF ROTIN
CHAIRMAN OF THE BOARD

As foreshadowed at the time of forming the new Australian Glass and Window Association in January 2019, the inaugural Board identified a two-year timeframe to bed-down the new organisation. In this period, the Board and our Executive Director / CEO have been focused on assessing and understanding the new service and value offer for our broader member base and to set forth a strategic plan to ensure AGWA remained a strong and relevant peak industry body. An important aspect of this work was to build upon the strengths, heritage and identities of each of the previous associations and to ensure the best elements of both were retained and enhanced wherever possible.

As it turned out, 2020 was an extremely challenging and unprecedented year, most notably due to the global COVID-19 pandemic but also due to several other significant weather and disaster events which affected communities and members in Australia. These events influenced the methods, means and opportunities the association had to interact with our members and required AGWA to respond quickly to these conditions in order to progress our second-year objectives. It also required the association to transform itself in terms of the nature of the guidance, information, support and the delivery method it needed to provide to our members.

Despite these significant challenges, it is my view that Clinton and the AGWA team have provided an exemplary level of communication and support to our members with respect to the ever-changing COVID situation. The team has worked hard to interpret, seek guidance on, influence and communicate the implications of state and regional based regulation, policy and best-practice in terms of COVID-safe protocols as they have related to our members.

In concert with this substantial workload, the team has retained

focus on the objective of settling the key foundation stones of the association and on building further capability and member value. These key pillars are and remain:

- A strong association - that is built on the foundations of good governance and financial sustainability to deliver member value.
- Safety and Accreditation – with a commitment to promoting compliance with standards and continuous improvement in safety management.
- Technical Expertise – to be recognised as the technical experts for the industry.
- Industry Voice – to be acknowledged as the united voice of the industry.
- Knowledge and Capacity Building - investing in building the knowledge and capacity of the industry.

The CEO's report will contain specific information relating to the activities which have been progressed in these key areas. This progress has been significant for 2020 and I am sure as a result of these efforts and the tenacity of the team, AGWA has continued to provide a strong and relevant value-proposition to our industry. This has also been evidenced by ongoing growth in the member base despite challenging economic conditions and uncertainty.

While the ability to conduct in-person events was significantly restricted during the year, engagement in state chapter activities and online training also continued to grow and mature with the advent of online collaboration tools becoming far more prevalent and accepted than ever before.

Work has also continued in earnest in critical regulatory and advocacy activities, particularly around the new energy efficiency measures to form part of the increased provisions of the National Construction Code in addition to progression of WERSlink and the full rebuild of the WERS database to accommodate ever increasing requirements in terms of data accuracy, access and traceability.

As always, the association has also continued to play a critical role in the investigation and mediation of compliance related matters in addition to providing comprehensive support to members and industry professionals in terms of technical advice.

These matters are but a few of the many specific activities to be covered in the CEO report however they provide insight to the very busy, challenging, and productive year the association has had in solidifying a culture of member-focused objectives and a can-do attitude which has overcome the unexpected changes to the way we have all had to do business since the pandemic began. And so, as the term of the inaugural Board draws to a close and preparations are made to pass the baton to a new Board, I would like to sincerely thank each of the Directors who have generously and passionately given their time and effort to set the course for the formative years of the new association.

I am sure they all join with me also in sincerely congratulating our CEO and the whole AGWA team on their second year and the very great strides they have made in shaping and running a resourceful, efficient and sustainable association. It is my view they have clearly established the organization to be worthy of the status of being the peak association for our industry.

I wish the new incoming Board every success and thank all members for the privilege of being able to serve as Chairman over the past term.

2020 THE YEAR THAT WAS

CLINTON SKEOCH
EXECUTIVE DIRECTOR & CEO

2020 was one for the record books, with fire, floods and pandemics making up just some of the challenges we had to navigate.

During 2020 the association had members come, and go, with the overall membership increasing by 14 taking us to 1,062 members.

We also raised the standards in our industry by ensuring that AGWA members represent and uphold the values that are expected of them by taking seven members to the board for disciplinary review. One had their membership terminated, others received warnings, while some simply chose not to renew their membership.

While we were able to have a few events in early last year, the majority of our events had to be cancelled due to pandemic controls and so we moved our member engagement and training programs online, with 575 members registering for our state-based updates and 556 members engaging with the sector-based webinars.

While opportunities to come physically together were hampered, the collaboration that is at the heart of AGWA was not impeded. Not only did our state-based chapter representatives continue to engage and highlight the needs of their state, but the technical breadth of our engagement grew with the formation of additional working groups in the arenas of shower screen, accessibility, and energy. These committees, chapters and working groups could not achieve their objectives if it was not for the continued engagement and service of many individuals who take on key roles in the industry. It is important to thank them for their time, passion and engagement as, together, we seek to move and grow our industry.

As part of this growth drive of note is AGWA's new involvement on the ABCB Residential and Commercial Energy committees, well as our leadership standards committees such as AS 1288 and ISO 15099 and at least eight other standards that impact, affect or underpin our industry.

On the accreditation front we launched our glazier/installer accreditation program that would have made our overall participation the largest building products accreditation program in the southern hemisphere. The program aims to provide confidence, credibility and certainty to consumers, specifiers and certifiers that the products and services provided by AGWA members are compliant and stand proudly above the rest of the market.

Despite all the challenges of 2020 the collective efforts of the AGWA team have meant we have been able to:

- Respond to 738 member technical enquires.
- Answer over 244 stakeholder enquires from building certifiers, architects and building owners.

- Conduct window and glass compliance training for more than 200 building certifiers.
- Publish 44 National Technical Alerts.
- Complete over 6,000 WERS audits
- Invested in and commenced work on the WERSLink project, the next generation of WERS.
- Investigate and/or mediate 142 non-compliance complaints.
- Provide timely, industry and location specific COVID advice and advocate on behalf of our industry.

Our advocacy has included meetings on, or submissions to, many governmental policy requests including, among others:

- Numerous submissions to changes proposed in the Building Confidence Report on both State and Federal levels.
- Multiple Federal and State-based submissions on COVID support, stimulus and policy initiatives.
- Energy and sustainability: community housing scoping work.
- Department of Trade: Anti-Dumping System review
- Green Building Council – Review of Embedded Energy and Carbon in Aluminium Window Frames.
- Skills Priority List Peak Body Survey – completed for glaziers and window fabricators.

Other items of note include:

- The launch of the safety and training pillars in the accreditation programs.
- Master Glazier Program membership became free to all members.
- Development of a full suite of member safety resources including the launch of a series of industry toolbox talks.
- Roll out of our HR national assistance line.
- Developed new training courses for industry in Safety, and in Glass.
- Launched our apprenticeship support program, where we promote, place and partner apprentices with member companies.

Now in 2021 with our many COVID reflections, concerns and anxieties, it is easy to lose sight of what we have achieved and how, in contrast to many parts of the world, we have been and remain very fortunate. Across the membership, I am pleased to hear of members who are seeing the green shoots of growth and others seeing very strong business demand.

I pass on my personal thanks to the inaugural AGWA board for their counsel, service and leadership of AGWA. While we still have more to learn, to improve on and to deliver their service has been needed, highly valued and very much appreciated.

I am also excited about working with our newly elected board. I want to thank all those who nominated: to those who have been elected, your ongoing commitment to delivering a safe, sustainable and level playing field for all will hold us in good stead as we refine our plans and prepare for the twists and turns that lay ahead.

I look forward to continuing to deliver value for our members into the future.

BOARD REPORT

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2020.

BOARD MEMBERS

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jeff Rotin
Capral Aluminium
Chairman

Greg Hunt
G.James Australia
Vice Chairman

Clinton Skeoch
Australian Glass & Window Association
Executive Director & Secretary

Elizabeth North
Add-Vantage Systems
Treasurer

David Brogan
Breezway Australia

Wayne Cook
ASSA ABLOY

Phillip Mauviel
Jim's Glass (South Australia)

Peter Den Boer
Jason Windows

Paul Gray
Southern Star Windows

Roy Loftus
Nu-Look Glass & Aluminium Windows

Gerard McCluskey
Landson Glass

Adrian Grocott
Express Glass

Colin Saunders
Viridian

PRINCIPAL ACTIVITIES

The principal activities of the Association during the financial year were:

The Company is the national industry entity representing window, door glass and glazing manufacturers and their industry suppliers. The Company provides the members with education and training to promote and advance the awareness of windows, glass and glazing as a major architectural component in building design. The Company provides technical support for members regarding windows and glass. The Company provides a national voice when representing the industry in discussions and negotiations with government, local authorities, business and trade associations and organisations and the private sector.

OBJECTIVES

Short term objectives

The Company's short term objectives are to:

- Provide members with support with training, technical support, accreditation, advocacy and advice.

Long term objectives

The Company's short term objectives are to:

- Drive product conformity and compliance
- Provide advice and support to members
- Facilitate technical capability and knowledge
- Develop relevant skill-sets through training
- Influence industry and product sustainability
- Advocate to governments and regulators
- Promote to members, stakeholders, the community and consumers
- Finance the achievement of the mission
- Ensure good governance of the association
- Retain and grow membership

STRATEGY FOR ACHIEVING THE OBJECTIVES

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

- Develop first-in-class technical leadership, advice and capacity for the industry.
- To provide effective education solutions to members and support registered-training organisations in attracting and developing the work force of the future.
- To provide effective mediation, compliance and accreditation services to the glass, glazing and window industry to ensure members are compliant.
- To support, foster and celebrate industry development through effective and valued industry events.
- Provide effective advocacy to ensure the best opportunities for industry growth.

HOW PRINCIPAL ACTIVITIES ASSISTED IN ACHIEVING THE OBJECTIVES

The principal activities assisted the Company in achieving its objectives by:

- Providing technical advice
- Industry specific training
- Marketing the association
- Advocacy to government and regulators

PERFORMANCE MEASURES

The following measures are used within the Company to monitor performance:

- Member retention and growth
- Training completions (both face to face and online)
- Technical services rendered
- No of technical and advocacy submissions made and outcomes for members.

FUTURE DEVELOPMENTS AND RESULTS

Future development will be focused on consolidating the program development achieved during 2020 and continuing to provide value to members, both large and small, across our core focus areas.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

The surplus of the Company for the financial year after providing for income tax amounted to $666,736 (2019: $297,091).

No significant changes in the Company's state of affairs occurred during the financial year apart from the effects COVID-19 has had on our business operations due to physical distancing and travel restrictions which led to a decrease in face-to-face training and events.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2020, and the number of meetings attended by each director were:

	Attended	Eligible to attend
Jeff Rotin	8	8
Greg Hunt	7	8
Liz North	8	8
Clinton Skeoch	8	8
Roy Loftus	5	8
David Brogan	6	8
Colin Saunders	7	8
Peter den Boer	8	8
Gerard McCluskey	6	8
Phillip Mauviel	4	8
Paul Gray 7	7	8
Wayne Cook	8	8
Adrian Grocott	7	8

EVENTS AFTER THE REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the current financial performance is positive up to 31 December 2020, it is not practicable to estimate the potential

impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

MEMBERS' GUARANTEE

AWA-AGGA Limited 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 for all other members, subject to the provisions of the company's constitution.

At 31 December 2020 the collective liability of members was $10,620 (2019: $10,480).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the year, the company has paid premiums in respect of an insurance contract to indemnify officers against liabilities that arise from their position as officers of the company. Officers indemnified include the directors and executive officers participating in the management of the company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

ELIZABETH NORTH
TREASURER

CLINTON SKEOCH
EXECUTIVE DIRECTOR & CEO

25 MARCH 2021

FINANCIAL STATEMENTS

INCOME STATEMENT

	Note	2020 $	2019 $
Revenue and other income	4	3,390,262	4,316,930
Expenses			
Employee benefits expense		(1,731,767)	(1,727,908)
Depreciation - property, plant and equipment		(126,231)	(41,246)
Loss on disposal of assets		(13,944)	(614)
Amortisation - right-of-use assets		(180,353)	(190,128)
Administration expenses		(164,900)	(294,844)
Accreditation expenses		(37,718)	(91,467)
Marketing, communications and events		(132,489)	(1,188,466)
Property and rental expenses		(87,401)	(35,439)
Membership and subscriptions		(57,866)	(74,950)
IT and computer expenses		(53,169)	(56,702)
Other expenses		(127,871)	(318,075)
Surplus before income tax expense		676,553	297,091
Income tax expense		(9,817)	–
Surplus after income tax expense for the year		666,736	297,091
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		**666,736**	**297,091**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	6	2,574,540	1,706,681
Trade and other receivables	7	163,752	248,351
Other current assets	9	19,608	9,569
Total current assets		2,757,900	1,964,601
Non–current assets			
Property, plant and equipment	10	16,397	60,491
Right-of-use assets	8	168,925	205,329
Intangibles	11	–	1,407
Total non–current assets		185,322	267,227
TOTAL ASSETS		**2,943,222**	**2,231,828**
LIABILITIES			
Current liabilities			
Trade and other liabilities	12	104,228	143,873
Lease liabilities	13	168,284	174,475
Income tax	14	9,817	-
Employee benefits	15	140,190	98,397
Other current liabilities	17	234,281	223,924
Total current liabilities		656,800	640,669
Non–current liabilities			
Lease liabilities	13	-	27,836
Employee benefits	15	16,715	25,765
Provisions	16	65,413	-
Total non–current liabilities		82,128	53,601
TOTAL LIABILITIES		**738,928**	**694,270**
NET ASSETS		**2,204,294**	**1,537,558**
EQUITY			
Retained surplus		2,204,294	1,537,558
TOTAL MEMBERS' FUNDS		**2,204,294**	**1,537,558**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Retained surplus $	Total equity $
Balance at 1 January 2019	(268)	(268)
Retained earnings transferred from AWA and AGGA on 1 January 2019	1,240,735	1,240,735
Balance at 1 January 2019 - restated	1,240,467	1,240,467
Surplus after income tax expense for the year	297,091	297,091
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	297,091	297,091
Balance at 31 December 2019	1,537,558	1,537,558
Balance at 1 January 2020	1,537,558	1,537,558
Surplus after income tax expense for the year	666,736-	666,736
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	666,736	666,736
Balance at 31 December 2020	2,204,294	2,204,294

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		3,278,410	4,155,325
Receipts from government grants (COVID-19)		500,256	-
Payments to suppliers and employees		(2,722,103)	3,567,431)
		1,056,563	587,894
Interest recieved		4,589	10,089
Net cash provided by operating activities		1,061,152	597,983
Cash flows from investing activities			
Payments for property, plant and equipment	10	(28,526)	-
Proceeds from disposal of property, plant and equipment		-	400
Net cash provided by (used in) investing activities		(28,526)	400
Cash flows from financing activities			
Received from AWA and AGGA		-	940,688
Repayment of lease liabilities		(164,767)	(192,122)
Net cash from/(used in) financing activities		(164,767)	748,566
Net increase in cash and cash equivalents		867,859	1,346,949
Cash and cash equivalents at the beginning of the financial year		1,706,681	359,732
Cash and cash equivalents at the end of the financial year	6	**2,574,540**	**1,706,681**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

The financial statements cover AWA - AGGA Limited as an individual entity. AWA - AGGA Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of AWA - AGGA is Australian dollars.

The financial report was authorised for issue by the Directors on 25 March 2021.

Comparatives are consistent with prior years, unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001.

The financial statements 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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in 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.

Depreciation

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or

service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Subscriptions
The Company's membership subscription year is 1 January to 31 December. Only those member fee receipts that are attributable to the current financial year are recognised as revenue. Fee receipts relating to periods beyond the current financial year are shown in the Statement of Financial Position as Deferred Revenue, under the heading of other current liabilities.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	16.67% - 20%
Office furniture and equipment	10% - 30%
Computer equipment	33.33% - 40%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company 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.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

NOTES TO THE FINANCIAL STATEMENTS

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

Defined contribution schemes
Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

3 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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 Company has determined that it expects most employee benefits to be taken within 24 months of the reporting period in which they were earned and that this change did not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTES TO THE FINANCIAL

		Note	2020 $	2019 $
4.	**REVENUE AND OTHER INCOME**			
	Revenue			
	Membership fees		1,986,413	2,028,463
	Secretariat fees		241,616	189,545
	Training		180,851	307,701
	Registrations		-	448,201
	Sponsorship		21,454	298,896
	Exhibitions		-	318,096
	Magazine sales		185,039	303,930
	Events income		20,325	193,222
	Accreditation and inspections income		117,027	148,156
	WERS income		39,649	22,326
			2,792,374	4,258,536
	Other income			
	Interest income		4,589	10,089
	Rental income		32,737	35,144
	COVID-19 stimulus grants		556,506	-
	Other revenue		4,056	13,161
			597,888	58,394
	Revenue and other income		3,390,262	4,316,930
5.	**AUDITORS' REMUNERATION**			
	Remuneration of the auditor			
	Auditing of the financial statements		15,500	15,136
6.	**CASH AND CASH EQUIVALENTS**			
	Current assets			
	Cash at bank		1,374,037	1,402,349
	Term deposit		1,200,503	304,332
			2,574,540	1,706,681

NOTES TO THE FINANCIAL

		Note	2020 $	2019 $
7.	TRADE AND OTHER RECEIVABLES			
	Current Assets			
	Trade receivables		62,791	151,516
	Less: Allowance for expected credit losses		(42,108)	(60,774)
			20,683	90,742
	Other receivables		56,250	-
	Security deposit		86,819	157,609
			143,069	157,609
			163,752	248,351
8.	RIGHT-OF-USE ASSETS			
	Non-current assets			
	Sydney office- right-of-use		143,949	316,811
	Less: Accumulated depreciation		(3,999)	(165,293)
			139,950	151,518
	Melbourne office - right-of-use		78,646	78,647
	Less: Accumulated depreciation		(49,671)	(24,836)
			28,975	53,811
			168,925	205,329
9.	OTHER CURRENT ASSETS			
	Current assets			
	Prepayments		19,608	8,773
	Other current assets		-	796
			19,608	9,569
10.	PROPERTY, PLANT AND EQUIPMENT			
	Non-current assets			
	Leasehold improvements - at cost		80,652	157,816
	Less: Accumulated depreciation		(76,411)	(128,827)
			4,241	28,989

NOTES TO THE FINANCIAL

	Note	2020 $	2019 $
Computer equipment - at cost		67,889	80,243
Less: Accumulated depreciation		67,889)	(68,744)
		-	11,499
Office equipment - at cost		30,314	48,870
Less: Accumulated depreciation		(18,158)	(28,867)
		12,156	20,003
		16,397	60,491

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold Improvements $	Computer Equipment $	Office Equipment $	Total $
Balance at 1 January 2020	28,989	11,499	20,003	60,491
Additions	65,413	26,417	2,109	93,939
Disposals	(4,285)	(749)	(6,768)	(11,802)
Depreciation expense	(85,876)	(37,167)	(3,188)	(126,231)
Balance at 31 December 2020	4,241	-	12,156	16,397

11. INTANGIBLES

Non-current assets

	2020 $	2019 $
Software - at cost	40,300	40,300
Less: Accumulated amortisation	(40,300)	(38,893)
	-	1,407

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Software $	Total $
Balance at 1 January 2020	1,407	1,407
Amortisation expense	(1,407)	(1,407)
Balance at 31 December 2020	-	-

NOTES TO THE FINANCIAL

		Note	2020 $	2019 $
12.	**TRADE AND OTHER PAYABLES**			
	Current liabilities			
	Trade payables		15,458	30,098
	Sundry creditors		46,700	34,112
	Superannuation payable		-	13,337
	PAYG		30,129	30,089-
	GST payable		10,915	26,195
	Other current liabilities		1,026	10,042
			104,228	**143,873**
13.	**LEASE LIABILITIES**			
	Current liabilities			
	Lease liability - Sydney office		168,284	149,537
	Lease liability - Melbourne office		-	24,938
			168,284	174,475
	Non-Current liabilities			
	Lease liability - Melbourne office		-	27,836
14.	**INCOME TAX**			
	Current liabilities			
	Provision for income tax		**9,817**	**-**
15.	**EMPLOYEE BENEFITS**			
	Current liabilities			
	Annual leave		85,179	68,457
	Long service leave		55,011	29,940
			140,190	**98,397**
	Non-Current liabilities			
	Long service leave		**16,715**	**25,765**
16.	**PROVISIONS**			
	Non-current liabilities			
	Make good provision		65,413	-

NOTES TO THE FINANCIAL STATEMENTS

	Note	2020 $	2019 $

17. OTHER CURRENT LIABILITIES

Current liabilities

	Note	2020 $	2019 $
Deferred revenue		234,281	223,924

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration

The aggregate remuneration made to key management personnel of the company is set out below:

	Note	2020 $	2019 $
Aggregate remuneration		680,226	572,702

19. CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (31 December 2019: None).

20. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Transactions with related parties

As at 1 January 2019, there were assets and liabilities transferred from Australian Window Association Inc (AWA) and Australian Glass & Glazing Association Inc (AGGA) to AWA - AGGA Limited; in accordance with the Deed of Transfer and Assignment.

	Note	2020 $	2019 $
Transferred from AWA		-	516,168
Transferred from AGGA:			
- National and IGMA Branch		-	346,387
- New South Wales Branch		-	65,341
- Western Australia Branch		-	133,022
- Tasmania Branch		-	53,305
- Queensland Branch		-	33,043
- Victoria Branch		-	79,156
- South Australia Branch		-	14,313
		-	1,240,735

Receivable from and payable to related parties

Receivable from and payable to related parties

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

21. 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 December 2020 the number of members was 1,062 (2019: 1,048)

22. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the current financial performance is positive up to 31 December 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

23. STATUTORY INFORMATION

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

AWA - AGGA Limited
Suite 1, Level 1, Building 1
20 Bridge Street, Pymble
NSW 2073

DIRECTORS' DECLARATION

For the year ended 31 December 2020

In the directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

ELIZABETH NORTH
TREASURER

CLINTON SKEOCH
EXECUTIVE DIRECTOR & CEO

25 MARCH 2021

INDEPENDENT AUDITOR'S DECLARATION

Nexia Sydney Audit Pty Ltd

Nexia Australia

Auditors Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of AWA-AGGA Limited

As lead auditor for the audit of the financial statements of AWA – AGGA Limited for the financial year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely
Nexia Sydney Audit Pty Ltd

Vishal Modi

Vishal Modi
Director

Dated this 25th day of March 2021

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INDEPENDENT AUDITOR'S REPORT

Nexia Sydney Audit Pty Ltd

Nexia Australia

Independent Auditor's Report to the Members of AWA-AGGA Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AWA-AGGA Limited (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Company is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and

ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for opinion

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

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

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

Directors' responsibility for the financial report

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

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

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INDEPENDENT AUDITOR'S REPORT

Auditor's responsibility for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Nexia Sydney Audit Pty Ltd

Vishal Modi
Director

Dated this 25th day of March 2021