

Water Stewardship Australia Limited
ACN- 143 616 764

WATER STEWARDSHIP AUSTRALIA LIMITED

ACN- 143 616 764
ABN - 74 143 616 764

ANNUAL REPORT 2013



Reaching 'lift-off' for a global water stewardship system

In April 2014 we expect to see the formal launch of a global water stewardship system with the release of the final version of the international water stewardship standard at the UN CEO Water Mandate meeting in Peru.

This will be the 'lift-off' point for the global system. Many of the organisations that have supported the development of water stewardship over the past four years, including WSA, will be lending their weight to achieving a successful launch and implementation.

Organisations supporting development of the system now include groups of companies (the UN CEO Mandate), groups of investors (CDP Water), groups of professionals (Water Environment Federation), NGOs (WWF, The Nature Conservancy, Water Witness), multilateral agencies (UNEP) and, regional groups such as WSA and the European Water Partnership.

Next year will also see us putting into place the final building blocks of the system by finalising the verification program, establishing a training program, revising the governance structure and strengthening the business model.

None of this has been easy in an environment where private sector, government and philanthropic funds have been very tight. We don't expect



Dr Jamie Pittock

it to get easier and we will be relying on the track record we have built over the past five years to consolidate the support we need to deliver the system.

In Australia, the importance of a water stewardship system has never been greater as we move from an environment where the dominant approach for water has been regulation to one that is more focused on collaboration and self-regulation.

We expect governments will see a growing role for mechanisms that can engage communities, industry and government in establishing agreed water goals and delivering on those goals while industry will see the importance of voluntary stewardship systems in maintaining a community license to operate.

Reflecting on the year that is the subject of this report it has been great in terms of the advance of the water stewardship system but difficult in that we have not achieved the level of

financial support as yet to make the system self-sustaining.

Governance

This year we attracted four new Directors who have added enormous experience and talent to our Board.

- Sasha Courville was until recently Executive Director of the ISEAL Alliance an umbrella organisation for most of the world's important social end environmental standard setting, labelling and accreditation programs. She has brought to our Board the latest thinking in these areas and made an important contribution to development of our business model.
- Richard Savage is a water engineer with GHD who has more than 20 years experience in water planning, water and wastewater systems gained in both Australia and South Africa. He is active within the Queensland water community and provides an important industry interface in northern Australia.
- Pat Feehan has over 35 years of experience in catchment and water management in Victoria working with government agencies, authorities and the community to develop and implement strategies, plans and processes to address water quality, salinity and catchment and water management issues. He brings a deep understanding of rural and agricultural water issues.
- John Langford was listed as one of the 100 most influential engineers in Australia after a long career as E.D. of the Water Services Association and M.D of the Rural Water Corporation in Victoria. He is a Director of Uniwater, Chair of the Murray Darling

Freshwater Research Centre and Asia-Pacific representative on the AWS International Standard Development Committee.

All have been actively involved in our Board activities and we are extremely grateful for the time they commit to WSA as well as the expertise and contacts they bring to the organisation.

Work of WSA has continued to be built around the goals that I outlined last year:

1. Develop and deliver multi-stakeholder pilots to define Australian considerations for water stewardship;
2. Contribute to the development of the international standard;
3. Develop the means to identify Australian leaders in water stewardship against the international standard;
4. Build awareness and support for water stewardship, including alignment to the emerging international standard, and;
5. Ensure good corporate governance of WSA as an organisation.

I am particularly grateful to the work David Waterson has put in to our Board Governance Committee to ensure we continue to adhere to high standards of governance and risk management.

Sustainable business model

As I announced last year, a great deal of work has been done to think through a long-term business model for WSA (and indirectly AWS). This work has been led by Sasha Courville whose knowledge and experience with other systems has been invaluable.

A key component of this work has been identifying the importance of providing a pathway to water stewardship certification. The result is that an important part of our work going forward will be the development and delivery of training systems that will allow people and organisations to access the system and become involved long before they make a commitment to certification.

Technical Work

One of the most important projects undertaken by WSA was with the field trial we undertook with the Goulburn Broken Catchment Management Authority, Dairy Australia and Tatura Milk Industries.

This project trialled the Australian Water Stewardship standard with an agricultural enterprise and provided important lessons in how water stewardship could integrate with farming and agribusiness.

Lessons from this trial have spread internationally with inquiries about the trial coming from Europe, Africa, the United States and China. Presentations on the trial have been made at a number of international conferences. It is hoped that some follow-on projects can be funded to build on this experience in the catchment, with the industry and with other catchments and industries.

I would like to acknowledge the work Juliet Le Feuvre has contributed as Chair of our WSA Technical Committee.

The lessons from Australia have been important to the development of the international water stewardship standard. During the year John Langford represented Australia as well

as the Asia Pacific on the International Standard Development Committee.

The revised international standard was released at the CEO Water Mandate meeting in Delhi India in March and a number of trials commenced on most continents. In Australia, Inghams Enterprises is conducting a trial of the revised standard.

Reports on the international trial program were presented during Stockholm Water Week at a half-day session hosted jointly by our global umbrella the Alliance for Water Stewardship, the German Government and the UN CEO Water Mandate. Reports on trials from China and South Africa were highlighted and are available from the WSA web site.

In March, WSA represented AWS at the Asian Water Week conference hosted by the Asian Development Bank in Manilla. WSA made contact regarding potential projects in the Asia Pacific region.

During the year AWS set up projects to examine long-term verification options and how it would measure and assess impacts achieved by the water stewardship system and standard. We are delighted that the Goulburn Broken CMA agreed to support the latter project by offering a member of staff, Helen Murdoch, to serve as part of the international review group.

International Governance

WSA Secretary Michael Spencer continued as Chair of AWS and WSA continues to contribute to the development of the international organisation and a more inclusive, stakeholder representative governance structure. It is expected that a new

governance model will be presented to stakeholders in 2014.

Deductible Gift Status

Just prior to the conclusion of the financial year, WSA Limited was entered into the Register of Environmental Organisations and achieved Deductible Gift Status with the Australian Taxation Office. This will allow us to access a broader range of philanthropic funds to support our work and a fundraising program is currently being finalised.

The future

As I said last year, we are not expecting that the resource constraints we face will be relieved quickly. But we are delighted that WSA and AWS are increasingly being seen as an important tool for industry, government and the community to achieve better water outcomes.

Over the year ahead we will be working hard to turn this recognition into a solid membership and financial base for the organisation so we will be properly resourced with a strong business model to deliver the system and support services required – particularly as weather patterns again turn and water scarcity grows again as

an issue in Australia (and continues to grow internationally).

WSA currently has a list of projects we are hoping to undertake over the coming 12 months. We are negotiating with potential funders to commence these projects over the coming months.

Thank you to our supporters

Finally, this report would not be complete without a sincere thank you to those organisations that have supported development of the water stewardship system during 2013. Our long-term corporate supporter Inghams Enterprises deserves particular mention as does the Murray Darling Basin Authority and the National Water Commission, National Australia Bank and the Goulburn Broken Catchment Management Authority. We also acknowledge the important contribution members make to the sustainability of WSA Limited.

The work of WSA has substantially depended on the dedicated work of its Secretary, Michael Spencer. I thank Michael. I also thank Marc Assefpour-Dezuly for his fine work as Administrative Officer.

Dr Jamie Pittock
WSA Limited Chair

Water Stewardship in Australia

The concept of water stewardship was first articulated by proponents of a water stewardship system in Australia in 2006.

This was followed by the establishment of Water Stewardship Initiative Pty Ltd, a series of stakeholder meetings in 2006, 2007 and 2008 and the development of the world's first water stewardship standard in 2009. The standard and all associated intellectual property was passed to Water Stewardship Australia Limited, a membership based not for profit entity, following its establishment in 2010.

The objective for WSA Limited as set out in its Constitution is: The protection and enhancement of the natural environment through the development, communication and promotion of water stewardship in Australia and the Asia Pacific region.

Water stewardship is defined as: The use of water that is socially equitable, environmentally sustainable and economically



Barmah Wetland (Source: MDBA)

beneficial, achieved through a stakeholder-inclusive process that involves site- and catchment-based actions.

In 2011, WSA completed recruitment of its full Board and created Board sub-committees for technical issues, marketing and finance, and for governance.

WSA's 2009 draft water stewardship standard formed the basis of the first draft international water stewardship standard in 2010. In 2011-12 WSA's Technical Advisory Group (reporting to the Board

Technical sub-committee) reviewed the first draft standard and 'straw dog' international standard. The committee made recommendations for a Draft 2 Australian Water Stewardship Standard that was presented to a stakeholder meeting in January 2012. In June 2012 the Board of WSA approved a final version of the Draft 2 Standard.

The WSA Board has agreed to focus future efforts on influencing the international standard being developed by the global umbrella group the Alliance for Water

Stewardship (AWS) rather than further developing WSA's standard.



Professor John Langford

In 2011 John Langford was appointed to the AWS International Standard Development Committee (ISDC).

WSA Secretary Michael Spencer continues as Chair of the AWS Board, which he has held since its inauguration.

In early 2012 the Board completed an environmental scan of changes in WSA's internal and external operating environment and developed a new strategic plan for the period 2012 to 2015. This plan continues to form the basis for the WSA work program.

In 2013, the AWS ISDC finalised the 'Beta' international standard. This will be

reviewed in January 2014 following a series of global trial and a final standard presented at the UN CEO Water Mandate meeting scheduled for Peru in April 2014.

The international standard will form the basis of the ongoing WSA work program. WSA will develop country specific guidance for the use of the standard in Australia. It will also develop a training program to assist its adoption in Australia and the Asia Pacific region.



1. DIRECTORS AND MEETING ATTENDANCE

The Board of Directors met seven times in Financial Year 2013 as follows:

Board Meeting: 25th of July 2012
Board Meeting: 4th of September 2012
Board Meeting: 28th of November 2012
Board Meeting: 31st of January 2013
Board Meeting: 21st of March 2013
Board Meeting: 24th of May 2013
Special Board Meeting: 17th of June 2013

The Director attendance at meetings during the year ending 30 June 2013 is shown below. Director's details are shown in Appendix 1.

Director	25.7.12	4.9.12	28.11.12	31.1.13	21.3.13	24.5.13	17.6.13
Duncan, Phil				✓			
Le Feuvre, Juliet	✓	✓	✓	✓	✓	✓	✓
Pittock, James	✓	✓	✓	✓	✓	✓	✓
Seddon, Julia		✓		✓		✓	✓
Waterson, David	✓	✓	✓	✓	✓	✓	✓
(to November 2012)							
Arnott, Chris	✓	✓					
Monroe, Adam	✓	✓					
Vinot, Kate	✓	✓					
(from November 2012)							
Courville, Sasha			✓	✓	✓	✓	✓
(from January 2013)							
Feehan, Pat				✓	✓	✓	✓
Savage, Richard				✓	✓		✓
(from March 2013)							
Langford, John					✓		

2. OFFICE BEARERS

Chair: Pittock, James (Dr)

Deputy Chair: Seddon, Julia

Secretary: Spencer, Michael

3. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

4. PRINCIPAL ACTIVITIES

Water Stewardship Australia is a membership-based organisation established to promote responsible water management in Australia.

5. OPERATING RESULTS

The company generated a surplus of \$10,919 before tax.

6. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year, other than those referred to elsewhere in this report.

7. AFTER BALANCE DATE AFFAIRS

No 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 year.

8. FUTURE DEVELOPMENTS

It is most probable that developments in operations of the company and the expected results of those operations in future financial years will follow the current pattern.

9. DIVIDEND PAYMENT

The company is a company limited by guarantee incorporated and domiciled in Australia. It does not have share capital. The directors of the company are precluded by the company's Constitution from recommending the payment of any dividend.

10. AUDITOR'S INDEPENDENCE DECLARATION

The independent audit report of the auditor for the year ended 30 June 2013 is attached.

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

A handwritten signature in black ink, appearing to read 'James Pittock'. The signature is written in a cursive, somewhat stylized font.

James Pittock

Director

Dated this 21 November, 2013

APPENDIX 1

DIRECTORS' PARTICULARS

COURVILLE, Sasha
Appointed 28th November 2012

- Qualifications: Bachelor of Environmental Studies (York University), Masters of Economics, Development Studies (London Schools of Economics), PhD (School of Resources, Environment and Society, Australian National University).
- Experience: 2012-Present Project Director, Natural Value Strategy, National Australia Bank; 2005-12 Executive Director, ISEAL Alliance, London, UK. 2001-5 Research Fellow (and Postdoctoral Fellow), Regulatory Institutions Network, ANU. 2001-2 Lecturer and Course Convenor, "Greening of Business" Asia-Pacific School of Economics and Governance, ANU. 1999-2001 Sustainability Consultant on design and application of tools for sustainable value chains.
- Responsibilities: Chair, Business and Revenue sub-committee and Member, Technical sub-committee.

DUNCAN, Phil
Appointed 4th June 2012

- Experience: Present Chair of the First Nations Water Engagement Council; Senior Policy Officer New South Wales Aboriginal Land Council; Chair of Department of Sustainability, Environment, Water, Populations and Communities Indigenous Water Advisory Committee. 2007 Chair of the NSW Department of Environment, Climate Change, and Water Aboriginal Cultural Heritage Advisory Committee. 2002 Involved in negotiations to establish NSW Aboriginal Water Trust.
- Responsibilities: Member, Technical sub-committee and Governance sub-committee.

FEEHAN, Pat
Appointed 31st January 2013

- Qualifications: Bachelor of Science (University of Melbourne), Graduate Diploma of Computing (Deakin University), Company Director Course Diploma (AICD).
- Experience: 2007-present Director Feehan Consulting. 2006-7: Manager, Catchment Programs, Goulburn-Murray Water. 2002-6 Manager, Environment and Natural Resources, Goulburn-Murray Water. 1994-2002 Manager, Natural Resources and Water Quality Coordinator, Goulburn-Murray Water. 1975-94 Department of Sustainability and Environment (and predecessors), various roles including soil conservation, public land management, landcare, tree growing, salinity.
- Responsibilities: Member, Governance sub-committee and Technical sub-committee.

LANGFORD, John
Appointed 21st March 2013

- Qualifications: Bachelor of Engineering (Agriculture) (University of Melbourne), PhD (Overland flow hydraulics) (University of Melbourne).
- Experience: 2003 - present Professional Fellow, University of Melbourne, including; Director, Uniwater, and Director, Australia China Centre of Water Resource Research. 18 years Melbourne Board of Works; forest hydrology research, water supply planning and operations, corporate development, and water pricing reform. 1.5 years State water planning initiating demand management and water markets. 7.5 years Director of Operations and Managing Director, Rural Water Corporation of Victoria. 4 years Commissioner of the Murray Darling Basin Commission. 1990 – present Board Chairman of the Murray Darling Freshwater Research Centre. Board Chairman, Cooperative Research Centres of Catchment Hydrology (12 years) and Freshwater

Ecology (13 years). Board member of the Peter Cullen Water and Environment Trust.

Responsibilities: Director, WSA Limited and Member, International Standards Development Committee.

LE FEUVRE, Juliet
Appointed 25th May 2010

Qualifications: Bachelor of Arts (Hons) (Cambridge University).

Experience: 2006-present Environment Victoria Healthy Rivers Campaigner. 2005-6 Australian Conservation Foundation Direct Marketing Officer. 2002-5 Australian Conservation Foundation Land and Water Program Assistant.

Responsibilities: Chair, Technical sub-committee and Member, Governance sub-committee.

PITTOCK, James
Appointed 25th May 2010

Qualifications: Doctor of Philosophy (The Australian National University), Bachelor of Science (Monash University), Member of the Australian Institute of Company Directors.

Experience: 2010-present Program Leader, Australia and United States Climate, Energy and Water, US Studies Centre; Director of International Programs, UNESCO Chair in Water Economics and Transboundary Water Governance; Senior Lecturer, Fenner School of Environment and Society, The Australian National University; and Principal of James Pittock Consulting. 2007-10 PhD Scholar, Fenner School of Environment and Society, The Australian National University. 2000-7 Director, Global Freshwater Programme, WWF International. 1994-2000 Manager of Nature Conservation and the Murray-Darling Basin, WWF Australia. 1990-4 Environmental advocate for various Australian non-governmental organisations.

Responsibilities: Chair, WSA Limited Board (from 18th January 2011) and Member, Governance sub-committee.

SAVAGE, Richard
Appointed 31st January 2013

- Qualifications: Bachelor of Science (Civil Engineering) (University of the Witwatersrand), Graduate Diploma in Engineering (Municipal) (University of the Witwatersrand).
- Experience: 2012-present Principal Engineer, Water Systems, GHD, Brisbane & Gold Coast. 2011-12 Principal Engineer, Water Supply and Wastewater Engineering, Gilbert and Sutherland, Brisbane and Gold Coast. 2008-10 Principal Engineer, Water Systems Planning Unit, WorleyParsons, Northern Operations. 2001-8 Director, Restor (Africa); Turnkey engineering solutions in the Non-Revenue Water sector; water and wastewater systems planning. 1986-2001 Water resources and infrastructure planning and design engineer, BKS (Pty) Ltd (now AECOM), South Africa; Graduate Engineer to Divisional Director.
- Responsibilities: Member, Business and Revenue sub-committee and Technical sub-committee.

SEDDON, Julia
Appointed 25th May 2010

- Qualifications: Masters Environment and Business Management (University of Newcastle), Bachelor of Applied Science (Environmental Assessment and Management) (University of Newcastle).
- Experience: 2008-present Group Environment Manager, Inghams Enterprises Pty Limited. 2006-8 Environment Manager, Inghams Enterprises Pty Limited. 2000-6 Environmental Engineer, Inghams Enterprises Pty Limited. 1998-2000 Environmental Planning Officer, Major Development Unit, NSW Department of Urban Affairs and Planning; and Environmental Planning Officer, Hunter and Central Coast, NSW Department of Urban Affairs and Planning.
- Responsibilities: Deputy Chair, WSA Limited Board and Member, Business and Revenue sub-committee.

WATERSON, David
Appointed 14th September 2011

- Qualifications: Bachelor of Science (Hons) (University of Melbourne), Bachelor of Science (Education) (University of Melbourne), Graduate Diploma in Computing (RMIT).
- Experience: 2011-present Principal, Energised Projects with a focus on implementing Government policy reforms in the energy industry. 2009-11 Executive General Manager, Information Management & Technology, AEMO. 2007-9 General Manager, Development and Strategy, NEMMCO. 2005-7 Head of Wholesale Market Development, NEMMCO. 1997-2005 Head of Information Services, NEMMCO.
- Responsibilities: Chair, Governance sub-committee and Member, Business and Revenue sub-committee.

WATER STEWARDSHIP AUSTRALIA LIMITED
ACN 143 616 764

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes as set out on pages 17 to 25 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting standards and Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the company.

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.



James Pittock
Director

Dated this 21 November, 2013

WATER STEWARSHIP AUSTRALIA LIMITED
ACN 143 616 764

BALANCE SHEET
AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash assets	4	26,684	2,942
Receivables & Prepayments	5	912	76,154
TOTAL CURRENT ASSETS		<u>27,596</u>	<u>79,096</u>
NON CURRENT ASSETS			
	6	-	-
TOTAL ASSETS		<u>27,596</u>	<u>79,096</u>
CURRENT LIABILITIES			
Payables	7	12,430	71,800
TOTAL CURRENT LIABILITIES		<u>12,430</u>	<u>71,800</u>
TOTAL LIABILITIES		<u>12,430</u>	<u>71,800</u>
NET ASSETS(DEFICIENCY)		<u>15,166</u>	<u>7,296</u>
EQUITY			
Retained surplus (accumulated deficit)	8 9	15,166	7,296
TOTAL EQUITY		<u>15,166</u>	<u>7,296</u>

The accompanying notes form part of these financial statements\

WATER STEWARSHIP AUSTRALIA LIMITED
ACN 143 616 764

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		\$	\$
Revenue from ordinary activities	2	78,685	131,932
Expenses	3		
Administration expenses		(25,585)	(38,424)
Consultancy		(37,734)	(77,254)
Employee & Contractors		<u>(4,447)</u>	<u>-</u>
Net surplus(deficit) from ordinary activities	8	<u>10,919</u>	<u>16,254</u>

The accompanying notes form part of these financial statements

WATER STEWARSHIP AUSTRALIA LIMITED
ACN 143 616 764

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	\$ Accumulated Funds
Balance as at 1 July 2012	<u>7,296</u>
Surplus (Deficit) for the year	<u>10,919</u>
Less Income Tax Expense	<u>(3,049)</u>
Surplus (Deficit) for the year	<u>7,870</u>
Balance as at 30 June 2013	<u>15,166</u>

The accompanying notes form part of these financial statements

WATER STEWARSHIP AUSTRALIA LIMITED
ACN 143 616 764

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 June 2013

	2013	2012
	\$	\$
Cashflow From Operating Activities:		
Cash receipts in the course of operations	153,865	55,778
Cash payments in the course of operations	<u>(130,123)</u>	<u>(57,529)</u>
Net Cash provided by (used in) operating activities	<u>23,742</u>	<u>(1,751)</u>
Cashflow From Investing Activities:		
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>
Cashflow From Financing Activities:		
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	23,742	(1,751)
Cash at the beginning of the financial year	<u>2,942</u>	<u>4,693</u>
Cash at the end of the financial year	<u>26,684</u>	<u>2,942</u>

The accompanying notes form part of these financial statements

WATER STEWARSHIP AUSTRALIA LIMITED
ACN 143 616 764

NOTES TO AND FORMING PART OF THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

RECONCILIATION OF CASH

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:-

	2013	2012
	\$	\$
Cash deposits with banks	<u>26,648</u>	<u>2,942</u>
	<u>26,648</u>	<u>2,942</u>

RECONCILIATION OF CASH FLOW FROM OPERATIONS
WITH OPERATING SURPLUS FROM ORDINARY ACTIVITIES

Operating Surplus (Deficit)	7,870	11,743
Changes in Assets and Liabilities		
(Increase)/decrease in Receivables	75,242	(76,154)
Increase/(decrease) in Trade Creditors and Accruals	<u>(59,370)</u>	<u>62,669</u>
CASH FLOW FROM/(USED IN) OPERATIONS	<u>23,742</u>	<u>(1,751)</u>

The accompanying notes form part of these financial statements

WATER STEWARSHIP AUSTRALIA LIMITED
ACN 143 616 764

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial report covers Water Stewardship Australia Limited as an individual entity. Water Stewardship Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue Recognition

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

Revenue from sponsorships and grants is recognised when the right to receive a sponsorship or grant is established.

(b) Income Tax

Income tax is payable by the company on the taxable income. Tax effect accounting has not been adopted.

(c) Trade and Other Creditors

These amounts represent unpaid liabilities for services provided to the company prior to the end of the financial year. The amounts are unsecured.

(d) Cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, deposits at call and money market investments which are readily convertible into cash.

WATER STEWARSHIP AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(e) Goods and Services Tax (GST)

The Company is not registered for Goods & Services Tax.

(f) Critical Accounting Estimates and Judgements

The directors' estimates and judgements incorporated into the financial report are based on historical results and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data from internal and external sources.

(g) Adoption of new and revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

WATER STEWARSHIP AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Note 2 REVENUES		
Revenue from operating activities:		
Event Revenue	5,872	19,427
Subscriptions	15,909	22,331
Grant Revenue & Consulting Fees	56,842	90,150
Interest	62	24
Total revenue	<u>78,685</u>	<u>131,932</u>
Note 3 EXPENSES		
<u>Administration Expenses</u>		
Audit, Bookkeeping & Accounting	3,292	1,650
Administrative Assistance	5,575	9,777
Bank Fees	185	48
Consultancy Fees	37,734	77,254
Conference & Meeting Expenses	10,688	21,638
Sundry	1,789	1,220
Telephone	889	480
Website Design	1,437	1,461
Travel	365	-
Insurance	1,365	1,490
	<u>63,319</u>	<u>155,678</u>
<u>Employee Expenses</u>		
Employees	4,447	-
	<u>4,447</u>	<u>-</u>
Note 4 CASH ASSETS		
Cash deposits with banks	<u>26,684</u>	<u>2,942</u>
	<u>26,684</u>	<u>2,942</u>
Note 5 RECEIVABLES – CURRENT		
Other Debtors & Prepayments	912	-
Trade Debtors	-	76,154
	<u>912</u>	<u>76,154</u>

Note 6	NON CURRENT ASSETS Non Current Assets	-	-
Note 7	PAYABLES – CURRENT Provision for Tax Creditors and accruals Unearned Income	3,049 9,381 -	2,368 37,614 31,818
		12,430	71,800
Note 8	MEMBERS' GUARANTEE The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute \$10 each towards meeting any outstanding obligations of the company.		
Note 9	RETAINED EARNINGS Retained surplus/(Accumulated deficits) at the beginning of financial period Net operating surplus(deficit) for period Retained surplus/(accumulated deficit)	7,296 7,870 15,166	(4,438) 11,734 7,296
Note 10	RELATED PARTY TRANSACTIONS Directors' Remuneration There was no remuneration paid or payable to the directors of the company.		
Note 11	COMPANY DETAILS The registered office of the company is: 102 Cardigan Street, CARLTON.		
Note 12	ECONOMIC DEPENDANCY A significant portion of income is received From member subscriptions.		

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATER STEWARDSHIP AUSTRALIA LIMITED

I have audited the accompanying financial report, being a general purpose financial report, of Water Stewardship Australia Limited (the Company), which comprises the balance sheet as at 30 June 2013, the statement of income, statement of changes in equity, cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members of Water Stewardship Australia Limited.

I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members of Water Stewardship Australia Limited. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members of Water Stewardship Australia Limited or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In my opinion the financial report of Water Stewardship Australia Limited:

- (a) gives a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complies with Australian Accounting Standards to the extent described in Note 1.

Barry Hodson FCPA
Certified Practising Accountant
PO Box 139
Kuranda Qld 4881
Tel: 07 40939770



ASIC registered auditor 1936

Dated the 22nd.day of November 2013