

**INTERNATIONAL RIVERFOUNDATION:
Financial report for the financial year ended
30 June 2011**

International RiverFoundation

Financial Report

Year ended 30 June 2011

ACN 104 346 590

Chairman's Report	3
Directors' Report.....	5
Income Statement	15
Balance Sheet.....	16
Statement of Changes in Equity	17
Statement of Cash Flow.....	18
Notes to the Financial Statement.....	19
Directors Declaration	27

Chairman's Report

2010/11 has been a year of significant change and planning for the future at the International Riverfoundation.

Martin Albrecht AC retired as Chair in December 2011, a position he has held with great esteem and vigour since the IRF was first formed in 2003. Martin successfully led the Board through a critical period of establishment and growth following the transfer of responsibility for the National and International Riverprizes to the IRF from the Brisbane River Festival.

On behalf of the Board and our many supporters I thank Martin for his outstanding contributions, and his passion and commitment to the IRF and its charitable mission to help protect the world's rivers.

I joined the IRF Board in October 2010, and was elected Chair following Martin's resignation. The first task I was given was to lead the search for a new Chief Executive. Board member Peter Krause had very kindly been acting in that position since the beginning of the year. Peter and his wife Anita, herself an IRF Ambassador, had moved to Brisbane from Ontario, Canada to help out during a period of management transition. We all grateful to Peter and Anita, and thank them for the valuable work they undertook during this transitional period.

Further changes during the year included the retirement of Honorary Treasurer and Company Secretary, Haydon Coles. Haydon's decades of commercial banking experience brought a professional approach to the IRF's accounting and financial management. On behalf of the Board I thank Haydon for outstanding voluntary services that went well beyond the 'call of duty' for a board member.

No charitable organisation can exist without its donors and sponsors, and it was with much gratitude that I acknowledge the continuing and generous support of the Australian Government's Water for the Future plan (sponsors of the Australian National Riverprize), the Thiess Family (sponsors of the Inaugural Ken Thiess Memorial Scholarship), Martin Albrecht AC and Alec & Mary Peden in particular.

I would like to close my first Chair's report with a look to the future. Firstly, the IRF does not yet have a secure, sustainable financial platform on which to maintain its charitable mission. IRF is not alone amongst charitable organisations in being impacted by the GFC. We are responding by adopting a more diverse and creative approach to fund-raising and sponsorship. In July, we announced a new corporate membership scheme, and Matthew and his team have instigated a number of exciting new programs that I am confident will greatly assist our fund raising efforts over the next year and beyond.

Secondly, in spite of the prestige of the International Riverprize, the IRF is not as well recognised, nor does it have the standing that it should have around the world. With the Board's approval, and with Matthew's support, I have begun the implementation of a new international regionalisation strategy for the IRF. The vision underpinning this new strategy is to:

- engage and empower our international network of ambassadors, Riverprize winners and twinning to work on behalf of the IRF in their region,
- partner with a regional host organisation to deliver activities and programs that mutually benefit the IRF and host organisation,
- establish semi-autonomous Regional Councils that guide regional IRF activities and programs,
- raise funds for regional programs and activities and contribute to the financial sustainability of the global IRF organisation,
- establish and promote Regional Riverprize awards, winners of whom would qualify automatically as finalists for the Thiess International Riverprize, and to

- deepen relationships and collaborations between river basin managers and regional public and private sector stakeholders.

We are currently well advanced in discussions with a potential host organisation to establish an IRF Europe office and program of activities, including a European IRF Riverprize, by 2012. It is the Board's ambition to establish similar regional partnerships in North/South America, Asia, and Africa over the next three to five years.

It certainly is a time of change at the IRF, but also a time of excitement about future possibilities and potential. In closing, I extend my sincere thanks to Matthew Reddy, Natalie Baker and the small team at IRF head office, to my fellow directors, and to all the IRF's donors and supporters in Australia around the world.

I want to especially thank our Global Ambassadors network. These passionate individuals continually remind us of the IRF's true potential as a global charitable organisation. And our mission, "to drive the restoration and sustainable management of the world's rivers", is certainly one to be inspired by and to stand behind.

Professor Gary Jones
Chairman, International RiverFoundation

About Us

Our vision:

A future in which every river around the world is healthy and managed sustainably.

Our mission:

To drive the restoration, protection and sustainable management of the world's rivers.

About Us:

The International RiverFoundation rewards and gives recognition for the restoration and sustainable management of the world's rivers, lakes and wetlands to improve the health of these precious resources and the communities dependent upon them.

International RiverFoundation's flagship program is in awarding the Thies International Riverprize and Australian National Riverprize each year. By giving recognition to those implementing and achieving best practice in river management, we aim to inspire organisations, communities and governments to manage their waterways sustainably.

Our innovative twinning program is a unique point of difference. Riverprize winners and finalists have the opportunity to share their knowledge and experience with other organisations in need of their expertise.

RiverFoundation acts as a catalyst to drive twinning projects that are spanning the globe and empowering organisations to take action.

As a Foundation we are financed by donations from individuals, companies and governments that are passionate and committed to making a difference. Our work is only restricted by the amount of funds we can raise.

Our Values:

- We operate with an independent, global and non-political stance in the interest of providing a service for public good
- We act as a catalyst for river improvement worldwide through inspiring, rewarding and encouraging best practice river restoration and management
- We work directly with river and wetland managers to restore rivers and achieve on-ground results with improved ecological, social and economic benefits for communities
- We are directly concerned with the transfer of best practice in river management and restoration into actions that creates tangible results
- We build partnerships and alliances with organisations worldwide to achieve mutually beneficial outcomes

Our Objectives:

- To advocate the restoration of river systems around the world
- To engage national and international organisations on the importance of sustainable river management
- To ensure knowledge regarding effective river systems management is available to those who need it
- To reward and champion those who are making significant achievements in the protection, restoration and management of river systems
- To act as a catalyst for the replication of effective river system management practices and promote long-term relationships for sharing knowledge

Highlights of the Year

- Founding Chairman retires after seven years
- 12th Thiess International Riverprize awarded to the River Thames, England
- 10th Australian National Riverprize awarded to the Derwent Estuary, Tasmania (the Australian Government's Water for the Future plan supports the Australian National Riverprize)
- 2010 International Riverprize finalist Dmitry Lisitsyn wins Goldman prize
- Six Ambassadors attend the 13th International Riversymposium, Perth
- Delegates from developing countries fully funded to attend the 2010 13th International Riversymposium
- Strategic development with an IRF presence in Europe
- Lake Simcoe signs a letter of intent to twin with Ayuquila River, Mexico
- River Thames commits prize money to their twinning with the River Ganges, India
- Inaugural Ken Thiess Memorial Scholarship recipient, Olita Ogonjo, graduates with a Master of Integrated Water Management
- The second Ken Thiess Memorial Scholarship awarded to Ms Kundai Chihambakwe
- A part-time Bremer River Project Officer employed to coordinate the Bremer River Fund
- Corporate Social Responsibility Program launched
- Chairman and CEO reinvestigated relationships with Riverprize alumni – Bulimba Creek, Australia, Lake Simcoe, Canada, Grand River, Canada, Derwent Estuary, Australia, River Thames, UK, Danube River, Europe

Support for the IRF

IRF Corporate Partners

International RiverFoundation is grateful for the generous financial and in-kind support provided from a range of organisations and individuals who share our vision of a future in which all rivers and waterways are sustainably managed.

This year, International RiverFoundation is honoured to have been supported financially by:

The Albrecht Foundation

We sincerely thank The Albrecht Foundation for its long- standing support of the IRF, which ensures the successful delivery of core programs.

THIESS FAMILY TRUST

Our sincere thanks to Bert and Vera Thies for their commitment to the Ken Thies Memorial Scholarship, and IRF's core programs, supporting healthy waterways, both here in Australia and in the developing world.

KALBITA PTY LIMITED

Kalbita has been key to maintaining our global network of dedicated individuals from developing countries to attend the International Riversymposium each year.

The Australian Government

International RiverFoundation is proud to receive a AUD\$1 million contribution from the Australian Government specifically to support the Australian Riverprize and national twinning partnerships. We thank the Australian Government's Water for the Future initiative for their continued support of river restoration and sustainable river management in Australia.

The Queensland Government

We thank the Queensland State Government for their generous commitment to contribute AUD\$1 million over a five year period.

In-Kind Supporters:

The University of Queensland
International WaterCentre
Brent Stirton Photography
Allens Arthur Robinson
Price Waterhouse Coopers
QIC
ROI

Planet Wheeler Foundation

International RiverFoundation, in partnership with Planet Wheeler Foundation, is administering a grant for International WaterCentre's river-related community development project in north-eastern Thailand on the Mun River (a major tributary of the Mekong River).

Directors' Report

The following were continuing Directors and have been Directors up to the end of the financial year 2010-2011:

- Mr Martin Albrecht, AC Mr Barry Ball, PSM Professor Bill Dennison Dr Jim Gill
- Professor Paul Greenfield, AO, FTSE Mr Peter Krause
- Ms Julie McLellan (Representing Jude Munro) Dr Peter Rowley
- Mr Jim Soorley, AM Mr Rod Welford
- Mr Michael Wright

The following person was appointed Directors of International Riverfoundation during the financial year 2010-2011:

- Prof Gary Jones, October 2010

The following person resigned as Directors of International Riverfoundation during the financial year 2010-2011:

- Mr Haydon Coles (Secretary), February 2011

Changes to Company Secretary occurred during the financial year 2010-11:

- Mr Rod Welford appointed as Interim Company Secretary, Dec 2010 – April 2011
- Mr Matthew Reddy as Interim Company Secretary, April 2011

Public Funds Committee

The following were members of the Public Fund Management Committee according to Clause 10 of the International RiverFoundation Constitution up to the publishing date of this report;

- | | |
|--------------------|--------------------|
| - Mr David Askern | Appointed 11/08/03 |
| - Mr Bob Grice | Appointed 10/11/05 |
| - Mr Doug McLaggan | Appointed 27/10/05 |

Information on Directors

Chairman – Professor Gary Jones was appointed as Chairman in December 2011. Gary has been Chief Executive of the eWater Cooperative Research Centre (CRC) since its inception in 2005, prior to that he was Chief Executive of the CRC for Freshwater Ecology. He also serves as a Director of eWater Innovation Pty Ltd and of the Peter Cullen Trust, and holds a Company Directors Course Diploma from the Australian Institute of Company Directors.

Martin Albrecht, AC As Chairman of RiverFoundation since its establishment in 2003, Martin retired in December 2010 and remains an active Director. Martin was CEO of Thiess for over 15 years from 1985 and Chair of the Thiess Board and a Director of Leighton Holdings from 2001 - 2008. Martin is a member of the Board of Governors for CEDA and Chairman of Wesley Research Institute. He was awarded Companion in the General Division of the Order of Australia (AC) in 2002, and also the Centenary Medal in 2003.

Treasurer and Secretary – Haydon Coles is a fellow of the National Institute of Accountants, and a Graduate of the Australian Institute of Company Directors. He has had 42 years of diverse banking experience with Commonwealth Bank, specialising in Institutional Banking, Corporate and Government Client Relationship Management and Corporate Business Development. In addition to the International RiverFoundation Board, Haydon serves as a Board member of Anglican Financial Services.

Director – Barry Ball PSM is the Deputy Director of the Global Change Institute at The University of Queensland. Part of his role is to work in the International WaterCentre as the Manager - Water Policy. Barry has worked in both State and Local Government in his 35 year career, predominately in the water sector. Barry is the Chair of the International WaterForum, a director of Queensland Urban Utilities and a member of the Environment Professional Advisory Board at Griffith University. In 2010 he was awarded an Australian Public Service Medal for Water Policy

Director – Professor Bill Dennison leads the Integration and Application Network, a collection of scientists interested in solving, not just studying, environmental problems. He is actively involved in the Chesapeake Bay Program, USA and had an active role in the Healthy Waterways Campaign of South-East Queensland, Australia. In his current role as Vice-President for Science Application at the University of Maryland Center for Environmental Science, his focus is on developing ways to effectively communicate science and to create credible and rigorous environmental report cards.

Director – Dr Jim Gill is Chancellor of Curtin University in Western Australia. He was CEO of WA's Water Corporation from 1995 to 2008 and has degrees from the Universities of Western Australia, Cambridge and Harvard. He has been Chairman of the Water Services Association of Australia, President of the WA Division of the Australian Institute of Company Directors, and Chairman of the WA Division of Engineers Australia. Dr Gill received the Grand Award of the International Water Association in Vienna in 2008

Director – Professor Paul Greenfield, AO, FTSE is currently Vice-Chancellor and Professor of Chemical Engineering at The University of Queensland. He chairs the Scientific Advisory Committee of the Healthy Waterways Partnership, which focuses on the health of the rivers, estuaries and bays of South-East Queensland. Paul is a Director of several university companies and chairs the *Riversymposium* Strategic Planning Committee, the Thiess International Riverprize Judging Panel and the International Water Centre.

Peter Krause is the President of Trillium Environmental Consulting Inc. and the past Chair of Conservation Ontario, the umbrella organisation representing Ontario's 36 Conservation Authorities. Peter is the Past Chair of the Grand River Conservation Authority in Ontario, Canada and recipient of the 2000 International Riverprize. Peter was also a founding Board member of the Clean Water Centre of Excellence in Walkerton, Canada. In 2010, Peter was interim CEO of IRF.

Director – Julie McLellan holds a Degree in Applied Science (Chemistry) with Graduate Diplomas in Training, Development and Assessment. Julie qualified as an Australian Institute of Company Directors member; and previously was on the Board of Directors of CRC for Water Quality and Treatment. Julie is Brisbane City Councils Water Resources Manager responsible for leading and developing Council's WaterSmart Strategy delivering total water cycle solutions for the City of Brisbane.

Director – Dr Peter Rowley is based in London, heading the Global Oil & Gas Services Sector with ERM. He was a Fulbright Fellow and Associate Professor of Environmental Chemistry at Colorado State University. Peter has worked in the environmental consulting industry and has been involved in a large range of extractive industry projects in Asia, the Middle East, North America, Europe and the former Soviet Union. He is the ERM Liaison Delegate to the World Business Council for Sustainable Development.

Director – Rod Welford, is the national Chief Executive of the Australian Council of Recycling. He retired from the Parliament of Queensland in 2009 following nearly 20 years as a legislator and policy maker, including as Queensland Minister for Environment and Heritage and Minister for Natural Resources. Prior to his election to Parliament, he practised as a solicitor of the Supreme Court of Queensland and a barrister of the High Court of Australia. He is the Chairman of AstiVita Renewables Limited and Chairman of the Energy Management Institute and Sustainable Design Partner.

Secretary - Matthew Reddy, joined the RiverFoundation in 2010 after a career spanning carbon, renewable energy, clean technology investment and natural resource management. With national and international project experience including environmental management systems, catchment scale implementation of biodiverse forest carbon sinks, degraded river restoration, native grasslands, freshwater biodiversity and wetlands. He brings a breadth of integrated, practical expertise to the RiverFoundation. Matthew has worked for Australian Partnered Investments, Power Alliance Holdings, Carbon Advantage, Landcare CarbonSMART, and Landcare Australia Ltd.

Patron – Jim Soorley, had a successful career as a management consultant and sales trainer in the USA and Australia before he began a political career. In 1990, Jim entered local government politics because he strongly believed he could make a difference. He was elected Lord Mayor of Brisbane in March 1991. He was the driving force behind the establishment of Brisbane's International Riversymposium and Thies Riverprize. Jim retained his office through three more election victories until stepping down in 2003. He has recently been appointed Chair of Unitywater in South East Queensland, Australia.

Director – Michael Wright, is Executive General Manager of Thies ServicesWith qualifications in Civil Engineering and Environmental Engineering, Michael has more than 20 years experience across a range of disciplines. After some 10 years working in Australia and the UK in project management and engineering roles, Michael joined the Thies Group in 1998 as a Project Manager to lead the remediation of the former nuclear testing site at Maralinga. Prior to his current appointment Michael ran Leighton Asia's operations in China and Mongolia.

Significant Changes in the State of Affairs

During the financial year the International Riverfoundation (IRF) had a reduction in total equity of just over \$350,000. Most of this fall in equity can be accounted for due to a fall in the value of investments and less income from donations and sponsors. The costs of running the IRF that is the operating expenses, programs and various prizes, actually declined by over \$60,000. The financial year 2011 – 2012 will be challenging financially as every effort is made to place the IRF on a sound financial footing.

Matters Subsequent to the End of the Financial Period

In October 2011 the IRF announced the winners of the International Riverprize (\$250,000), the National Riverprize (\$150,000) and associated Twinning Programs, International (\$100,000) and National (\$50,000). Both Riverprizes are payable in the first half of the financial year and funds are available for this expense. The Twinning components are payable on the receipt of proposals, which are approved by the Board.

Aside from that no matter or circumstance has arisen since 30 June 2010 that has significantly affected, or may significantly affect:

- (a) *the Foundation's operations in future financial years, or*
- (b) *the results of those operations in future financial years, or*
- (c) *the company's state of affairs in future financial years.*

Annual General Meeting

The Annual General Meeting of the foundation was held on:

- 6 December 2010

Meetings of Directors

Formal board meetings of the foundation were held on:

- 15 July, 2010
- 27 August, 2010
- 13 October, 2010
- 6 December, 2010
- 14 April , 2011

Insurance of Officers

Directors' and officers' liability insurance has been arranged through Marsh Pty Ltd.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page [16].

Auditor

PricewaterhouseCoopers have been appointed by the directors in accordance with section 327 of the *Corporations Act 2001*, to be approved at the Annual General Meeting.

This report is made in accordance with a resolution of the directors.



Professor Gary Jones, Chairman
Brisbane
25 October 2011



Auditor's Independence Declaration

As lead auditor for the audit of International Riverfoundation for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of International Riverfoundation and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Robert Hubbard', is written over a light grey signature line.

Robert Hubbard
Partner
PricewaterhouseCoopers

Brisbane
25 October 2011

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

International RiverFoundation
Income Statement
For the year ended 30 June 2011

	Note	2011	2010
		\$	\$
Revenue from continuing operations			
Investment earnings	2	144,564	170,890
Donations and sponsorship	2	503,098	1,130,915
Other	2	76,970	298,572
		724,632	1,600,377
Interest	2	72,705	42,529
		797,337	1,642,906
Expenses			
Other expenses from ordinary activities			
Assisted delegates and Riversymposium		38,453	100,897
Riverprize		259,172	432,773
Twinning expenses		87,537	117,104
Thiess Scholarships		26,723	19,718
Bremer River event expenses		-	158,833
Fundraising expenses		26,588	16,771
Corporate support costs		729,070	384,426
	3	1,167,541	(1,230,522)
Surplus/(Deficit) from ordinary activities before income tax		-370,205	412,384
Income tax expense		-	-
Surplus/(Deficit) from ordinary activities after related income tax		-370,205	412,384
Net surplus/(deficit)		-370,205	412,384
Total changes in equity other than those resulting from transactions with owners as owners		-370,205	412,384

The above income statement should be read in conjunction with the accompanying notes

International RiverFoundation
Balance Sheet
For the year ended 30 June 2011

	<i>Note</i>	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and liquid assets	4	1,121,520	1,428,792
Receivables	4	10,711	5,000
Non-current assets			
Financial assets at fair value	5	768,836	1,054,177
TOTAL ASSETS		1,901,067	2,487,969
LIABILITIES			
Current liabilities			
Payables	6	44,638	61,335
Deferred income	6	650,000	850,000
TOTAL LIABILITIES		694,638	911,335
NET ASSETS		1,206,429	1,576,634
EQUITY			
Reserves			
Retained profits	7	1,206,429	1,576,634
TOTAL EQUITY		1,206,429	1,576,634

The above balance sheet should be read in conjunction with the accompanying notes

International RiverFoundation
Statement of Changes in Equity
For the year ended 30 June 2011

	<i>Note</i>	2011 \$	2010 \$
Total equity at the beginning of the financial year		1,576,634	1,164,250
Net income recognized directly in equity			
Surplus/(Deficit) for the year		- 370,205	412,384
Total recognized income and expense for the year		1,206,429	1,576,634
Transactions with equity holders in their capacity as equity holders		-	-
Total equity at the end of the financial year		1,206,429	1,576,634

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

International RiverFoundation
Statement of Cash Flow
For the year ended 30 June 2011

	<i>Note</i>	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		369,357	1,274,487
Riverprize sponsorship			-
Payment to suppliers and employees		(1,179,239)	<u>(1,192,023)</u>
Interest received		72,705	42,530
NET CASH PROVIDED BY OPERATING ACTIVITIES	9	<u>- 737,177</u>	<u>124,994</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	5	<u>429,904</u>	<u>220,000</u>
NET CASH PROVIDED FROM FINANCING ACTIVITIES		<u>-</u>	<u>-</u>
TOTAL NET INCREASE IN CASH HELD	10	<u>- 307,272</u>	<u>344,994</u>
CASH AT THE BEGINNING OF THE FINANCIAL YEAR	4	<u>1,428,792</u>	<u>1,083,798</u>
CASH AT THE END OF THE FINANCIAL YEAR	4	<u>1,121,520</u>	<u>1,428,792</u>

The above statement of cash flow should be read in conjunction with the accompanying notes

International RiverFoundation**Notes to the Financial Statement
For the year ended 30 June 2011****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

(a) Basis of preparation

In the directors' opinion, the Foundation is not a reporting entity because there are no users dependent on general purpose financial reports.

This special purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001, with the exception of the disclosure requirements of the following:

AASB 7:	<i>Financial Instruments: Disclosures</i>
AASB 124:	<i>Related Party Disclosures</i>
AASB 132:	<i>Financial Instruments: Disclosure and Presentation</i>
AASB 139:	<i>Financial Instruments: Recognition and Measurement</i>

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes of the company comply with International Financial Reporting Standards (IFRSs).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS often requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. There are no material areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from donations and sponsorships is recognised on receipt.

Income received in advance relating to the future funding of the National Riverprize has been deferred and will be recognised as revenue over a 5 year period.

(c) **Income tax**

The income of the company is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997

(d) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits held with financial institutions. For the purposes of the statement of cash flow, cash includes at deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(e) **Trade receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. All trade debtors are recognised as current accounts receivable as they are due for settlement within the next year. Collectability of trade debtors is reviewed on an ongoing basis and debts which are known to be uncollectible are written off.

(f) **Trade and other creditors**

These amounts represent liabilities for goods and services provided to the foundation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

(g) **Financial assets**

Amounts invested in financial assets with the intention of being held for the long term are initially recorded at cost. Increments or decrements in the fair value of the portfolio of financial assets including investment income, such as dividends received, are recognised in the income statement as investment earnings.

(h) **Acquisition of assets**

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs to the acquisition.

(i) **Employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognized in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave expected to be settled within 12 months of the reporting date is recognized in the provision for employee benefits. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognized in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

International RiverFoundation**Notes to the Financial Statement
For the year ended 30 June 2011****NOTE 2: REVENUE FROM CONTINUING OPERATIONS**

	2011	2010
	\$	\$
Revenue from continuing operations		
Donations	212,925	509,520
Sponsorship received	290,173	726,396
Memberships, fees	191	727
Event income	-	15,421
Interest received	72,705	42,529
Investment income	144,564	170,890
Other	76,779	177,423
	<u>797,337</u>	<u>1,642,906</u>

International RiverFoundation

**Notes to the Financial Statement
For the year ended 30 June 2011**

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

The profit from ordinary activities includes the following expenses:

Riverprize

	2011 \$	2010 \$
Prize	250,000	400,000
Riverprize support costs	9,172	32,773
	<u>259,172</u>	<u>432,773</u>

Riversymposium expenses

Assistance to Riversymposium delegates	-	47,811
Riversymposium support costs	38,453	53,086
	<u>38,453</u>	<u>100,897</u>

Twining expenses	87,537	117,104
Thiess Scholarships	26,723	19,718
Bremer River event expenses	-	158,833
Fundraising expenses	26,588	16,771
	<u>140,847</u>	<u>312,426</u>

Corporate support costs

Bank fees and tax	1,834	1,542
Business expenses	17,869	7,765
Catering	3,969	3,022
Consulting	25,720	55,718
Employment and recruitment expenses	16,295	14,390
Insurance	8,229	6,784
Legal fees	854	249
Marketing, advertising and communications	66,299	17,162
Office equipment	5,689	6,236
Printing	2,672	2,513
Rent and occupancy costs	50,379	35,575
Stationary	5,022	3,865
Telephone	6,003	4,366
Travel and conference expenses	104,115	8,903
Salaries and wages	406,290	204,331
Other	7,829	12,005
	<u>729,070</u>	<u>384,426</u>

International RiverFoundation

Notes to the Financial Statement For the year ended 30 June 2011

NOTE 4: CURRENT ASSETS

	2011 \$	2010 \$
Cash and liquid assets	1,121,520	1,428,792
Receivables	10,711	5,000
	<u>1,132,231</u>	<u>1,433,792</u>

NOTE 5: FINANCIAL ASSETS AT FAIR VALUE

	2011 \$	2010 \$
Assets held with financial institutions		
Balance 1 July	1,054,177	1,103,288
Net deposits/(withdrawals)	-429,904	(220,000)
Investment earnings	144,564	170,889
Balance 30 June	<u>768,836</u>	<u>1,054,177</u>

NOTE 6: CREDITORS AND OTHER LIABILITIES

	2011 \$	2010 \$
Deferred income	650,000	850,000
Creditors and accrued expenses	8,881	14,088
GST and PAYG payable	35,757	47,247
	<u>694,638</u>	<u>911,335</u>

The International RiverFoundation and the Commonwealth Government have entered into a Funding deed for the funding of the National Riverprize for the 5 years commencing 2009/2010 of \$200,000 per annum. The funds received of \$1 million have been treated as deferred income and will be recognised as revenue over the 5 year period.

NOTE 7: RESERVES AND RETAINED PROFITS

	2011 \$	2010 \$
Retained profits		
Retained profits at the beginning of the financial year	1,576,634	1,164,250
Net profit attributable to members of International RiverFoundation	-370,205	412,384
Retained profits at the end of the financial year	<u>1,206,429</u>	<u>1,576,634</u>

International RiverFoundation

Notes to the Financial Statement For the year ended 30 June 2011

NOTE 8: FINANCIAL INSTRUMENT

Investment earnings risk

International RiverFoundation may be subject to risk arising from the effects of future changes in the prevailing level of interest rates and investment earnings in relation to its assets held with financial institutions and bank deposits.

Credit risk

The maximum credit risk exposure in the event parties fail to perform their obligations is equivalent to the amounts recognised in the balance sheet.

Fair value of financial instruments

It is the policy of the International RiverFoundation to recognise its financial assets at fair value.

NOTE 9: RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 \$	2010 \$
Profit from ordinary activities	- 370,205	412,384
Investment loss/(gain)	- 144,564	(170,890)
Changes in operating assets and liabilities		
Increase/(decrease) in deferred income	- 200,000	(150,000)
(Increase)/decrease in receivables	- 5,711	(5,000)
Increase/(decrease) in creditors and borrowings	- 16,697	38,500
Net cash inflows from operating activities	<u>- 737,177</u>	<u>124,994</u>

NOTE 10: RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash is defined as currency, on call deposits with a financial institution net of overdrafts, and short term deposits used in the cash management function on a day to day basis.

	2011 \$	2010 \$
Cash at the end of the financial year as shown in the Statement of Cash Flows consists of:-		
Cash at the beginning of the financial year	1,428,792	1,083,798
Net increase in cash	- 307,272	344,994
Cash at the end of the financial year	<u>1,121,520</u>	<u>1,428,792</u>

International RiverFoundation

Notes to the Financial Statement For the year ended 30 June 2011

NOTE 11: INTERNATIONAL RIVERFOUNDATION FUND (the Fund)

The company maintains accounting records to recognise the receipt of donations received in its capacity as a Deductible Gift Recipient and expenditure from these donations. The expenditure from this Fund is approved by the Public Funds Management Committee, which oversees that disbursement of expenditure meets the Funds' environmental objectives.

International RiverFoundation Fund	2011	2010
Income and expenditure of the Fund has been:	\$	\$
Donations received	201,336	509,520
Interest and other income	6,327	2,163
Expenditure approved	423,671	281,470
Balance 1 July 2010	270,025	39,812
Balance 30 June 2011	54,017	270,025

The assets representing the Fund are included in financial assets held at fair value.

NOTE 12: TWEED-KENYA MENTORING PROGRAM

The company maintains a separate account in relation to the Tweed-Kenya Mentoring Program. The expenditure from this account is designated solely to the benefit of the Tweed Kenya Mentoring Program.

Tweed-Kenya Mentoring Program	2011	2010
Income and expenditure of the Fund has been:	\$	\$
Donations received	80,494	97,534
Interest and other income	1,208	16,826
Expenditure approved	49,455	81,973
Balance 1 July 2010	40,220	7,833
Balance 30 June 2011	72,467	40,220

NOTE 13: SHARE CAPITAL

Established as a non-profit foundation, the company does not have share capital. It is a public company limited by guarantee. Each member undertakes to contribute to the assets of the organisation in the event of it being wound up while he is a member, or within one year, after the member ceases to be a member, of a sum not exceeding \$10, should there be a shortfall in funds.

NOTE 14: REMUNERATION OF DIRECTORS

No remuneration was paid to directors during the year.

NOTE 15: REMUNERATION OF AUDITORS

No remuneration was paid to the auditors for the audit of the financial statements or any other services.

NOTE 16: COMMITMENTS FOR EXPENDITURE*Twining Commitments*

The IRF has an aggregate commitment of \$150,000 with respect to payment of the twinning component of the 2009 International and National Riverprizes. This commitment will be realised upon presentation of a suitable twinning proposal to the IRF and subsequent acceptance by IRF of that proposal.

Capital Commitments

There are no commitments for capital expenditure at balance date.

Lease Commitments

There are no lease commitments at balance date.

NOTE 17: RELATED PARTY TRANSACTIONS

There were no transactions with any related party at any time during the financial year, other than the normal course of business.

NOTE 18: SEGMENT INFORMATION

The company operates in one segment, being to undertake, promote and support activities to improve and protect the quality of rivers globally.

International RiverFoundation


Directors Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 18 to 29 are in accordance with the *Corporations Act 2001* including:
 - (i) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance, as represented by the results of its operations, changes in equity and its cashflows, for the financial year ended on that date;

- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they come due and payable.

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



Professor Gary Jones, Chairman
Brisbane
25 October, 2011



Independent auditor's report to the members of International Riverfoundation

Report on the financial report

We have audited the accompanying financial report of International Riverfoundation (the Foundation), which comprises the balance sheet as at 30 June 2011, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Foundation are responsible for the preparation and of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
DX 77 Brisbane, Australia
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Auditor's opinion

In our opinion:

- (a) the financial report of International Riverfoundation is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Foundation's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over the printed name of the firm.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Robert Hubbard', is written above the printed name of the individual.

Robert Hubbard
Partner

Brisbane
25 October 2011