

# **Great Barrier Reef Foundation**

ABN 82 090 616 443

## **Annual report for the year ended 31 December 2015**

**Great Barrier Reef Foundation** ABN 82 090 616 443  
**Annual report - 31 December 2015**

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## Director's Report

*"It [the Great Barrier Reef] is one of the greatest and most splendid natural treasures that the world possesses. Evolved over hundreds of thousands of years it's one of nature's most impressive creations."<sup>1</sup>*

The focus on the future of the Great Barrier Reef has never been more evident than in the past year. The increased focus has been largely generated through the ongoing deliberations of the UNESCO World Heritage Committee to inscribe the Great Barrier Reef on the List of World Heritage in Danger. In July 2015, the Committee unanimously decided against this action.

Closer to home, the Australian and Queensland Governments jointly published the Reef 2050 Long Term Sustainability Plan. Prepared in response to the World Heritage Committee's concerns, the Plan provides for the first time, a roadmap of actions, targets and outcomes for management of the Reef from now through to the year 2050. As the only not-for-profit organisation dedicated solely to raising funds for scientific research into protecting and preserving the Great Barrier Reef, the Foundation welcomes the release of the Plan and is committed to working alongside all stakeholders to provide support for its implementation.

Amidst this intense international focus on the Reef the Foundation quietly celebrated its 15<sup>th</sup> anniversary and achieved a number of significant milestones including:

- Reaching \$50m of funding raised for research for a resilient Reef
- Amending the Constitution to reflect science investment involves research and real-world piloting activities
- Securing our largest ever corporate partnership – a \$7million investment from BHP Billiton for the Raine Island Recovery Project and the development of a reef resilience framework
- Celebrating 10 years of our Chairman's Panel Program
- Commencing the Reef Champions program focused on Queenslanders and Queensland companies
- Launching our beautiful new Foundation branding.

As always, science remains at the very heart of what we do. In 2015 the Foundation oversaw the delivery of 24 research projects and some major research outcomes including:

- Achieving a world first in unlocking the genetic code of nine Great Barrier Reef coral species, two coral-associated algae and five microbial genomes. This information generated by the Sea-quence project could ultimately enhance our understanding of how corals will respond to climate change and what we can do to assist.
- Launching the second phase of the eReefs project which will focus on putting powerful information, visualisation, communication and reporting products into the hands of Reef managers, policy-makers and other key stakeholders such as tourist operators and the general public.
- University of Melbourne researchers found that surface films have the potential to reduce heat and light by up to 30%, providing an initial proof-of-concept for the idea of shading thermally stressed reefs.

The Foundation also continued its emphasis on sharing our science with our network. We convened our third annual Science Forum in August which brought together business, government, science and philanthropy representatives. Scientists presented latest research on the resilience of the Great Barrier Reef and workshopped common themes and collaboration opportunities.

The second annual ReefBlitz was hosted in Townsville in October. The two day engagement event provided a hands-on opportunity for people to contribute to the science of the Reef. This year's ReefBlitz included a Corporate Team Challenge providing a meaningful way for our corporate partners to get involved in the science being undertaken on the Reef.

We also harnessed the expertise of our corporate network through the establishment of the Innovations in Monitoring Working Group. Experts from Boeing, Qantas, GE and Worley Parsons are exploring innovative technologies to monitor and automate analysis of data into meaningful information for Reef scientists and managers.

All of these achievements were only made possible by the generous and sustained commitment of the Foundation's partners. Such commitment to the Reef and support of science-based solutions enables the Foundation to invest in science that Reef managers, users and policy-makers need to protect and preserve our greatest natural wonder. The Foundation thanks its supporters and looks forward to their continued support in 2016.

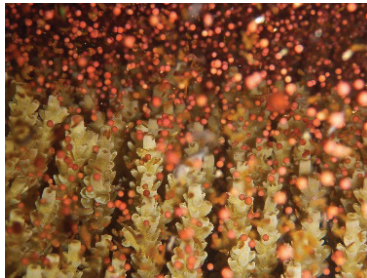
The Foundation's Managing Director for the last four years, Ms Claire Hanratty, resigned with Ms Anna Marsden assuming the role early 2016. The Foundation thanks Ms Hanratty for her dedication and wishes her the best in her future endeavours.

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<sup>1</sup> Sir David Attenborough describes the Great Barrier Reef in 2015

## The Year in Review

### RESEARCH INVESTMENTS



*Investing in research for a resilient Reef.*

The Foundation managed the delivery of 24 research projects in 2015, including four new project investments.

A \$7 million partnership with BHP Billiton for the Raine Island Recovery Project and Reef Resilience Framework was secured by the Foundation in 2015 to support critical marine research and rehabilitation works at the remote island. This is part of a larger partnership with the Queensland and Australian Governments and Traditional Owners.

An additional \$2 million was secured from the Queensland Government for phase two of the eReefs project.

The Foundation continues to leverage funding to maximise return on investment. After three years of Resilient Reefs grant funding, the Foundation has leveraged the \$9 million received from the Australian Government with \$23 million from the private sector and Queensland Government and \$32 million of co-contributions from research and management agencies. This represents a six-fold return on the original investment.

### EREEFS PHASE TWO



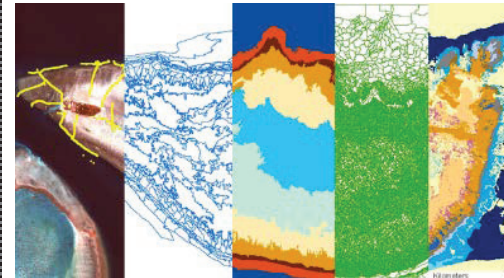
*eReefs Phase 2 – delivering products for Reef management*

eReefs phase two commenced this year with the securing of an additional \$6.5 million from the Australian and Queensland Governments. This investment builds on the \$23 million of funds committed to the project by research partners, BHP Billiton Mitsubishi Alliance and the Science Industry Endowment Fund.

eReefs is using innovative technologies such as satellite sensing and sophisticated modelling platforms to develop a range of products to observe and predict water quality across the Great Barrier Reef. Many of these products will be available to everyone to use such as the Marine Water Quality Dashboard which is live on the Bureau of Meteorology's website. This tool provides real-time information about water quality, sea temperature and the effects of floods and storms on the Reef.

eReefs is a collaboration between the Foundation, Bureau of Meteorology, Commonwealth Scientific and Industrial Research Organisation, Australian Institute of Marine Science and the Queensland Government, supported by funding from the Australian and Queensland Governments, BHP Billiton Mitsubishi Alliance and the Science Industry Endowment Fund.

### LIVE HABITAT MAPS



*A single baseline map for the whole Great Barrier Reef*

The coral reef habitats of the Great Barrier Reef are extensive and diverse, however no single map exists that can provide details of the location and depth of the different coral communities for the entire Great Barrier Reef.

The ultimate vision of the live habitat map is to develop one single baseline map for the whole of the Great Barrier Reef.

The Foundation is funding a pilot study that will develop a new mapping and modelling technique and apply it to the shallow offshore reefs of the Capricorn Bunker Group. The pilot map will include characteristics such as water depth of the ocean floor, geomorphological zones (reef slope, reef crest, reef flat, lagoon, and island) and dominant coral type – for example plating, branching or massive, and will trial a novel mapping technique combining satellite images, field data and spatial modelling.

This map will provide the baseline information needed to assess the impacts of climate change, disturbances (e.g. storms and crown-of-thorns starfish) and identify where we can optimally focus management resources.

### RAINE ISLAND RECOVERY PROJECT



*Restoring the world's largest green turtle rookery*

The Foundation has secured its largest corporate partnership to date with a \$7 million investment from BHP Billiton. The funds will be used to support the Raine Island Recovery Project and development of an overarching reef-wide Reef Resilience Framework.

This initiative will advance vital research and restoration activities on the Great Barrier Reef, reflecting the Foundation's mission in bringing together science, business, government and reef management to protect and preserve the Reef.

Raine Island is the location of the world's largest green turtle breeding ground, and home to a major Coral Sea seabird nesting population.

A five-year program of research, capacity-building and on-ground works has commenced aimed at improving outcomes for critical marine species. Project activities include beach re-profiling, sand replenishment, fencing, turtle tagging, remote sensing, monitoring, modelling and Indigenous Ranger training.

The Reef Resilience Framework will provide a mechanism to drive action towards building reef resilience and support resilience planning. The Framework will be piloted concurrently to the research and rehabilitation works undertaken by the Raine Island Recovery Project.

### THE BOMMIES AWARD



*Encouraging young researchers to develop strong science communication skills*

A video using 360 degree cinematography to showcase cutting edge coral science has won the 2015 Bommies Award for science communication. James Cook University PhD student and Australian Institute of Marine Science researcher Patrick Buerger's winning video makes clever use of technology to create an immersive experience illustrating a new method for combatting the spread of bacterial disease in corals.

Second prize winner was the University of Adelaide's Tullio Rossi, with a creative animation to describe how human-induced ocean acidification could affect the evolutionary instinct that allows fish to orient themselves in the ocean and find their way using sounds.

Paloma Matis from the University of Technology Sydney was the judges' highly commended entry and People's Choice prize winner. Paloma's video discusses impacts of ocean warming on reef fish.

2015 Bommies entries are available to view on: [www.facebook.com/BommiesbyGBRF](http://www.facebook.com/BommiesbyGBRF).

The Bommies videos produced by up and coming young researchers are a brilliant tool for informing the Foundation's network about the Reef and the challenges it faces.

### REEFBLITZ



*Community and corporate engagement in Reef science*

The 2015 ReefBlitz event was held in October in Townsville, in conjunction with the Marine Park Authorities 40<sup>th</sup> Birthday celebrations. The event encouraged community members to become 'citizen scientists' for a day and to discover and document important plant and animal species whilst also contributing meaningful data and information.

The 2015 event included the ReefBlitz Corporate Team Challenge with teams from Orica, Boeing, Qantas, Brisbane Airport Corporation, BHP Billiton Mitsubishi Alliance and Townsville Enterprise competing for the coveted ReefBlitz trophy.

More than 1,400 people, including 211 school students and eight corporate teams participated, recording 226 different species across the two day event, including a sighting of the rare *Peasiella roepstorffiana* snail on Magnetic Island which has not been observed in the last 10 years.

ReefBlitz was supported by the Queensland Government, Qantas, Boeing, Orica, Earthwatch and local citizen science groups.

#### CHAIRMAN'S PANEL



*Engaging, inspiring and informing our network about the Reef and the Foundation's work*

The Foundation's Chairman's Panel celebrated a 10 year anniversary in 2015 with an annual weekend briefing on the Reef and a separate anniversary lunch.

Over 40 Chairman's Panel members, partners, scientists and Reef managers participated in the annual weekend briefing on the Great Barrier Reef, 15 - 17 May at Hayman Island.

Queensland's first Minister for the Great Barrier Reef, Dr Steven Miles, also took part in the program, speaking about his government's commitment to the Reef and adding his insights to the workshop discussions across the weekend.

Chairman's Panel members worked with scientists and reef managers to explore innovations in science, engagement and funding that will help deliver the Reef 2050 Long Term Sustainability Plan.

A separate Chairman's Panel anniversary lunch was held in July with 50 members and guests attending the event hosted by Qantas in Sydney. Held the day after the UNESCO decision about the World Heritage status of the Great Barrier Reef, the Australian Government Minister for Environment, Greg Hunt, and the Great Barrier Reef Marine Park Chief, Dr Russell Reichelt, skyped live from Germany to discuss the decision of the World Heritage Committee.

#### INNOVATIONS IN MONITORING



*Innovative technology to automate the monitoring and analysis of Reef data*

The discussions at the 2015 Chairman's Panel weekend centred on finding innovative approaches to science, engagement and funding and harnessing new technologies. A key topic included using innovative techniques to monitor the Reef. This resulted in the establishment of an Innovations in Monitoring Working Group, whose members include Boeing, Qantas, GE and Worley Parsons.

The Group is exploring innovative technology to monitor and automate analysis of data into meaningful information for Reef scientists and managers. In addition to corporate partners, lead scientists from AIMS, the University of Queensland, CSIRO and the Department of Science, Information Technology and Innovation are regular members of the group.

The delivery of a discussion paper focusing on the application of innovative remote sensing to help the delivery of the Reef 2050 Long Term Sustainability Plan is a priority outcome.

#### 360° VIDEOS



*Innovation in engagement and technology*

The 360-degree imagery of the Great Barrier Reef is helping to create a new wave of tools for science while also engaging new audiences in an immersive reef experience.

The Foundation has partnered with Underwater Earth and University of Queensland to help document and understand the Reef's biodiversity and engage audiences.

The series of videos feature Lady Elliot Island and Heron Island have been embraced by audiences worldwide seen by more than three-quarter of a million people in a matter of weeks on YouTube and Facebook platforms.

The project allows researchers to accurately document and understand the biodiversity on the Great Barrier Reef at a particular point in time. Importantly, this puts researchers in a better position to monitor and learn more about the changes that occur on the Reef after specific events such as cyclones and other extreme weather events.

With this type of information available, reef managers will be better equipped to respond to changes with appropriate measures designed to improve the resilience and long-term health of coral reefs.

**Principal Activities**

The principal activity of the Foundation is to support the protection and enhancement of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts for the benefit of the world community including through the funding and provision of research, information and education. There were no significant changes to the nature of the activities carried out by the Foundation during the year.

**Review of Results and Operations**

The Foundation made an operating surplus of \$2,525,009 (2014: \$1,662,154).

At year-end, \$5,717,651 (2014: \$3,337,095) is considered as being tied or restricted funds for application towards future research project commitments.

**Operations**

The program of work and investments managed by the Foundation team continues to expand with new opportunities arising on a regular basis, over and above the sizeable portfolio of research under management. The number of full time employees at reporting date was six (2014: four). In addition to day-to-day requirements, the Foundation also runs initiatives which require additional resources on a regular but not full time basis. Six part time staff are employed in roles relating to science, marketing & communications and accounting with one casual staff member in a support role. In addition, one contractor is employed to provide science expertise. The capacity of this small team is increased by the Foundation's network of supporters and partners, in particular its pro bono partners and Science Advisory Committee.

*Pro Bono Partners*

In addition to providing assurance to the Board and donors that the Foundation is rigorously managed, the Foundation's Pro Bono partners extend the capacity of the operational team to deliver through the provision of expertise and resources.

The services and advice provided by these partners would also be beyond the ability of the Foundation to fund on its own. Furthermore, many of these organisations have supported the Foundation over a number of years and bring a wealth of knowledge of the business to the table.

The Foundation recognises that it is very fortunate to have assembled such a prestigious group of partners and greatly appreciates the value and quality of service provided by these organisations.

The Australian firms and companies who have provided pro bono services for which the Foundation would otherwise have to pay cash in 2015, include:

- Allens Linklaters (Legal)
- Deloitte Touche Tohmatsu (Audit)
- ENS International (Training)
- KPMG (Company Secretarial & Compliance, Consulting)
- PricewaterhouseCoopers (Accounting)
- Leo Burnett (Branding)
- Techpath (IT Support)
- JSA Creative (Marketing)
- Nick Did This (Creative Strategy)
- Goldman Sachs (Consulting)
- Baker & McKenzie (Consulting)
- The Australia and New Zealand Banking Group (Consulting)

In the last twelve months, these firms and businesses have together provided pro bono services and support services valued at \$444,534 (2014: \$386,064).

*Science Investments*

At 31 December 2015, the Foundation had research investment contracts, in aggregate, totalling \$17,043,644. The Foundation endeavours to leverage investments with a further dollar in co-contributions from the relevant research institutions and, as appropriate cash from other parties.

During 2015 the principal beneficiaries of research funding by the Foundation were as follows:

<i>Institution</i>	<i>Expenditure (\$)</i>
Australian Genome Research Facility	45,550
Australian Institute of Marine Science	471,800
Australian National University	88,000
Bureau of Meteorology	1,099,624
Charles Darwin University	54,218
CSIRO	1,520,745
Department of Science, Information, Technology & Innovation	215,000
Griffith University	160,000

James Cook University	134,000
Reef Ecologic	27,000
Tangaroa Blue Foundation	2,500
University of Adelaide	3,000
University of New South Wales	50,330
University of Sydney	162,000
University of Queensland	356,272
Wildlife Preservation Society of QLD	2,500
<i>Total</i>	<i>4,392,539</i>

**Benchmarking: The Cost of Fundraising**

The community naturally expects that not for profit organisations will be transparent regarding their operations and disclose the proportion of total revenue raised from donors which is spent on administration and fundraising costs.

To meet this expectation, the Foundation is committed to adopting best practice in its use of donor funds. On an ongoing basis the Foundation uses ratios as a monitoring tool and for benchmarking to internal historical comparatives.

Accordingly, the Foundation regularly monitors two key metrics:

- a) **The Proportion of Project Expenditure** which analyses the amount of funding which is directed to projects (i.e. those funds used directly to meet the Foundation's mission) rather than servicing the Foundation's operating costs. For the 2015 year, the Foundation's Proportion of Project Expenditure to Total Expenditure was 83.2% (2014: 78.4%).
- b) **The Cost of Fundraising and Administration Ratio**, which measures the efficiency of funds, used to raise each dollar of revenue received. The ratio is a proportion of fundraising and administration costs to total revenues. For the 2015 year the Foundation's Cost of Fundraising and Administration was 12.1% (2014 15.8%).

Notes:

1. When calculating these ratios, assumptions are made to apportion costs between "project expenditure" and "fundraising and administration" costs. The assumptions that the Foundation makes have been reviewed for reasonableness. The project expenditure includes research grants, science and other project related costs. The cost of fundraising and administration is the balance of expenditure after project expenses.
2. Pro Bono services and support are excluded from all ratio calculations on the basis that this income and expenditure have a net effect (i.e. all pro bono income is also an expenditure item)
3. The Foundation is committed to maximising the funding available to achieve its core purposes and has implemented ways to source operating overheads from *outside* project fundraising:
  - The Chairman's Panel and Reef Champions: Member donations are dedicated to meeting the operating costs of the Foundation;
  - Securing development and management fees to cover the investment of people and resources by the Foundation for major project partnerships.

**Directors**

The following individuals were directors of the Foundation during the financial year and up to the date of this report:

- John Michael Schubert AO (Chairman) (director since 11/04/2001)  
*BCEng (Hons 1), PhD (Chem Eng), FIEAust, CPEng, FTS, FIChemE*
- Ian Craig Buchanan (director since 15/2/2005) (resigned 12/05/2015)  
*MA (Oxon) MBA*
- Michael Andrew Cameron (director since 09/09/2010)  
*BBus, FCPA, FCA, FAICD*
- Stephen Charles Fitzgerald (director since 25/11/2010)  
*BEcon*
- Paul Fawcett Greenfield AO, (Chairman International Scientific Advisory Committee since 21/12/2007) (director since 21/12/2007)  
*BEcon Qld, BE (Hons) NSW, PhD NSW, FIE Aust, FTSE, FIChemEng, MAIChe*
- Claire Louise Hanratty (Managing Director) (director since 1/12/2011, outgoing 23/03/2016)  
*BCA (First Class Hons), MBA*
- Amanda Therese McCluskey (director since 31/08/2009)  
*BEcon (Hons)*
- John Francis Mulcahy (director since 12/5/2006)  
*BE (First Class Hons), PhD (Civil Eng)*
- Russell Evan Reichelt (director since 31/8/2004)  
*BSc PhD, FAICD, FTSE*



Phillip David Strachan (Chairman, Audit, Risk & Compliance Committee since 24/03/2015) (director since 23/12/2003)  
*BCom, FCPA*

David John Turner (director since 28/7/2007)  
*FCA*

Keith Henry Tuffley (director since 22/11/2006)  
*BEC, LL.M., Grad Dip Applied Fin and Invest*

Peter Francis Young (director since 18/11/2004) (resigned 18/05/2015)  
*BSc (Geology), MBA*

Peter Edward Mason (director since 25/3/2015)

Steven Andrew Sargent (director since 18/2/2015)  
*BBus*, Fellow with the Australian Academy of Technological Sciences and Engineering

Stephen Hunter Roberts (director since 24/11/2015)  
*BEC*

Maureen Ann Dougherty (director since 4/11/15)  
*BMEng, MEng*, Fellow of the Royal Aeronautical Society

Anna Catherine Marsden (director since 25/01/2016)  
*BArts*

### **Audit, Risk and Compliance Committee**

From 2014, in accordance with its constitution, the Foundation's Board has directly appointed the following individuals as members of the Audit and Compliance Committee.

Phillip David Strachan (Chairman Audit and Compliance Committee since 27/03/2015) (director since 23/12/2003)  
*BCom, FCPA*

Michael Andrew Cameron (resigned 27/03/2015) (director since 09/09/2010)  
*BBus, FCPA, FCA, FAICD*

Isaac Alexander Fletcher (formerly alternate director for Keith Tuffley as a member of the Audit and Compliance Committee since 1/7/2007).

*BEng (Hons)*

Clayton Neil Herbert (formerly alternate director for John Mulcahy as a member of the Audit and Compliance Committee since 21/11/ 2006).

*BBus, CA*

Anthony Peter Rose (member Audit and Compliance Committee since 6/6/2013)  
*BComm(UWA), ACA, SF FIN*

### **Portfolio Committee**

With significant investment being made in the Foundation's Research Portfolio, the Board established the Portfolio Committee to provide advice to the Board on the allocation, risk and reputational aspects of investments in the Portfolio. The following individuals are members of the Portfolio Committee:

Paul Fawcett Greenfield AO, (director since 21/12/2007)

Claire Louise Hanratty (Managing Director) (director since 1/12/2011, outgoing 23/03/2016))

Anna Catherine Marsden (director since 25/01/2016)

John Francis Mulcahy (Chair) (director since 12/5/2006)

Russell Evan Reichelt (director since 31/8/2004)

John Michael Schubert AO (director since 11/4/2001)

Representative from the Australian Government Department of Environment

### **Reef Bond Committee**

The Foundation Board originally established the Bond Committee in 2010 to assist in fulfilling its oversight responsibilities by monitoring and reporting to the Board on the development of a Great Barrier Reef Bond. After several years of inactivity the Committee was reactivated in 2015. The following Directors are members of the Reef Bond Committee:

David John Turner (Chair) (director since 28/7/2007)

Keith Henry Tuffley (director since 22/11/2006)

Claire Louise Hanratty (Managing Director) (director since 1/12/2011, outgoing 23/03/2016))

Anna Catherine Marsden (director since 25/01/2016)

Paul Fawcett Greenfield AO, (director since 21/12/2007)

Phillip David Strachan (director since 23/12/2003)

Amanda Therese McCluskey (director since 31/08/2009)

Stephen Charles Fitzgerald (director since 25/11/2010)

Michael Andrew Cameron (ceased Reef Bond Committee membership 18/06/2015) (director since 09/09/2010)

**Nominations Committee**

The Nominations Committee is appointed by the Board of Directors of the Great Barrier Reef Foundation to assist in identifying candidates for Board, sub-Committee, Advisory Committee and Managing Director roles.

The following Directors are members of the Reef Bond Committee

John Michael Schubert AO (Chairman) (director since 11/4/2001)

John Francis Mulcahy (director since 12/5/2006)

Stephen Charles Fitzgerald (director since 25/11/2010)

Paul Fawcett Greenfield AO, (Chairman International Scientific Advisory Committee since 21/12/2007) (director since 21/12/2007)

**Company Secretary**

Kerri Suzanne Ryan (since 30/11/2011)

*BBus, CPA*

**International Scientific Advisory Panel**

The International Scientific Advisory Panel, chaired by Professor Paul Greenfield AO, advises the Foundation's Board and management on the direction of the science and the progress of science investments. The Foundation is grateful to the eminent group of leaders from Reef management and research institutions under whose leadership and governance the research program is developed, delivered and quality assured.

**Meetings of Directors**

Directors	Full meeting of directors	
	A	B
John Michael Schubert (Chairman)	5	5
Ian Craig Buchanan	2	2
Stephen Charles Fitzgerald	3	5
Paul Fawcett Greenfield	5	5
Amanda Therase McCluskey	4	5
John Francis Mulcahy	4	5
Russell Evan Reichelt	4	5
Claire Louise Hanratty (Managing Director)	4	5
Phillip David Strachan	5	5
Keith Henry Tuffley	4	5
David John Turner	3	5
Peter Francis Young	1	2
Michael Andrew Cameron	2	5
Peter Edward Mason	0	4
Steven Andrew Sargent	4	4
Stephen Hunter Roberts	0	0
Maureen Ann Dougherty	0	0

**Audit Committee**

Meetings of Audit & Compliance Committee	
A	B
4	4
4	4
4	4
3	4
1	1

Phillip David Strachan  
Isaac Alexander Fletcher  
Clayton Neil Herbert  
Anthony Peter Rose  
Michael Andrew Cameron (resigned 27/03/2016)

**Nominations Committee**

Meetings of Nominations Committee	
A	B
3	3
3	3
3	3
3	3

John Schubert (Chair)  
John Francis Mulcahy  
Paul Fawcett Greenfield  
Stephen Charles Fitzgerald

**Portfolio Committee**

Meetings of Portfolio Committee	
A	B
4	4
4	4
4	4
4	4

John Francis Mulcahy (Chair)  
Paul Fawcett Greenfield  
Claire Louise Hanratty  
Russell Evan Reichelt  
Australian Government Representative

**Reef Bond Committee**

Meetings of Reef Bond Committee	
A	B
3	4
3	4
1	4
2	4
2	4
3	4
4	4
0	1

David John Turner  
Claire Louise Hanratty  
Keith Henry Tuffley  
Paul Fawcett Greenfield  
Phillip David Strachan  
Amanda Therase McCluskey  
Stephen Charles Fitzgerald  
Michael Andrew Cameron

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

### Dividends

The Foundation is a company limited by guarantee and is restricted from declaring any dividends.

### Insurance of Officers

During the financial year, the Foundation paid a premium of \$5,499 (2014: \$5,499) including stamp duty, a broker's fee and GST, to insure the Directors and Secretary and senior officers of the Foundation.

### Proceedings on behalf of the Foundation

No proceedings have been brought or intervened in on behalf of the Foundation which requires the leave of the Court under section 237 of the Corporations Act 2001.

### Indemnification of Officers and Auditor

Under section 65 of the Foundation's Constitution, the Foundation indemnifies each person who is or has been a Director or Secretary of the Foundation. The Indemnity relates to any liability (other than liability to the Foundation or related body corporate, pecuniary penalties or compensation orders and liability that did not arise out of conduct in good faith) which results directly or indirectly from facts or circumstances relating to service as a Director or Secretary of the Foundation and extends to the payment of legal costs described therein.

The Foundation has not otherwise during or since the financial year indemnified or agreed to indemnify an auditor of the Foundation or of any related body corporate against a liability incurred as such an auditor.

### 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 on page 12.

### Environmental regulation

The Foundation's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Foundation has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Foundation.

### Remuneration Report

No Director of the Foundation has received or become entitled to receive a benefit, by reason of a contract made by the Foundation with the Director of a related company, other than in the case of the current Managing Director, whose remuneration is determined by the Board.

### Employee numbers

The number of full time employees at reporting date was six (2014: four). In addition to day-to-day requirements, the Foundation also runs initiatives which require additional resources on a regular but not full time basis. Six part time staff are employed in roles relating to science, marketing & communications and accounting with one casual staff member in a support role. In addition, one contractor is employed to provide science expertise.

### Members' Guarantee

The Foundation is a public company limited by guarantee. Members are nominated and determined in accordance with the Constitution. If the Foundation is wound up, the Constitution states that each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations of the Foundation. As at 31 December 2015, the number of members was 122 (2014: 106).

### State Government fundraising legislation requirements

Several state governments in Australia have specific licensing and reporting requirements implemented to inform and protect the interests of donors and regulate fundraising operations.

The Foundation holds the following licence in Queensland, the principal place of its operations:

- *Collections Act 1966, Certificate of Sanction Number: CP5118.*

### Key Australian Government legislative and regulatory requirements

The *Australian Charities & Not for Profits Commission Act* sets out laws dealing with registration of a business entity as a charity. From 1 January 2014 onwards, the Foundation (in its capacity as a large registered charity with an annual revenue >\$1m) must submit an Annual Information Statement, a Financial Report and an Audit Report (auditing the Financial Statement) to the Australian Charities & Not for Profits Commission.

Environmental organisations, including the Foundation, are required to comply with the requirements of the Australian Government Department of Environment and the Australian Taxation Office in order to remain on the Register of Environmental Organisations (REO). This register lists environmental organisations, like the Foundation, which are eligible to receive tax-

deductible donations. This register was established under item 6.1.1 subsection 30-55(1) of the *Income Tax Assessment Act 1997*.

**Likely developments and expected results of operations**

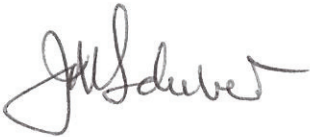
The Foundation will develop, publish and operationalise a refreshed Research Portfolio, including new research themes, in 2016. The revised Research Portfolio will be closely aligned with the Reef 2050 Long Term Sustainability Plan. In the interim, the Foundation will continue to focus on funding research aligned with the Research Portfolio it published in 2010 with a particular emphasis on those projects which have been identified as a priority by the Foundation's International Scientific Advisory Committee.

With a large program of projects now under management, significant effort is being, and will continue to be, dedicated to overseeing delivery of this work and enabling its adoption by reef managers and policy makers.

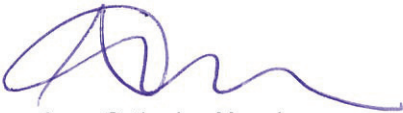
**Events subsequent to reporting day**

The Foundation has had a change of Managing Director valid from 25 January 2016 onwards. Claire Louise Hanratty resigned and was replaced by Anna Catherine Marsden.

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



John Michael Schubert  
Chairman



Anna Catherine Marsden  
Managing Director

Dated: 23 March 2016

The Board of Directors  
Great Barrier Reef Foundation  
1/9 Longland Street  
NEWSTEAD QLD 4006

23 March 2016

Dear Board Members

### Great Barrier Reef Foundation

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Great Barrier Reef Foundation.

As lead audit partner for the audit of the financial statements of Great Barrier Reef Foundation for the financial year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit;
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzani  
Partner  
Chartered Accountants

## **Corporate Governance Statement**

Great Barrier Reef Foundation (the Foundation) is a not for profit public company limited by guarantee, incorporated under the *Corporations Act 2001*. Ultimate responsibility for the governance of the Foundation rests with the Board of Directors. This governance statement outlines how the Board meets that responsibility.

The Board's primary role is to ensure that the Foundation's activities are directed towards achieving its mission; the raising and provision of funding to support research contributing to the environmental protection, enhancement, preservation and conservation of tropical reefs and adjoining coral coasts.

All members of the Board of Directors are appointed through the Constitution and are themselves members of the Company. Non executive Directors serve in an honorary capacity and do not receive remuneration for their role. Directors and senior staff have formal duties under company law and are kept apprised of these, using professional advice when necessary. There are conflict of interest provisions in the Constitution and in company law, applicable to the directors, together with an internal protocol.

The Foundation's Constitution governs the regulations of meetings and proceedings of the Board of Directors, together with the procedures for appointment and replacement of directors. The Board regularly reviews the skills and experience necessary for its activities and currently considers it appropriate that there is the following mix: business management, ecological and scientific, financial, legal, marketing and philanthropic.

In addition to those matters required by the Constitution and company law, the Board's principal roles are to:

- approve the annual budget
- receive and review regular and comprehensive financial and investment reports
- oversee risk management analysis
- make final decisions with respect to research projects
- prepare and approve policy statements
- determine strategic and long term objectives.

The Audit, Risk and Compliance Committee monitors the Foundation's financial activities and performance. The Audit, Risk and Compliance Committee may call on external advice from outside parties as required. It:

- reviews the accounts and assists in development of annual budgets and long term projections
- provides strategic financial advice and support to management
- advises the Board on financial matters including property acquisition, the formation of policies and guidelines related to financial management and the monitoring of financial performance.

The Portfolio Committee is appointed to assist in providing advice to the Board on the allocation, risk and reputational aspects of investments in the Portfolio.

The Board delegates the day to day management of the Foundation to the Managing Director and oversees and monitors her performance in that regard.

The Board's limitation policy for the Managing Director provides that:

- the Board of Directors will provide clear directions of what is required of the Managing Director through identification of key performance indicators;
- in the fulfillment of the Managing Director's duties and responsibilities, the Managing Director will use her discretion so as to achieve the necessary outcomes in a professional, ethical, responsible and legal manner.

The process of evaluation of the Managing Director is ongoing, and a session on key performance indicators is held with the Chairman annually. The Board or its delegate conducts an annual performance review of the Managing Director. The remuneration and terms and conditions for the Managing Director are reviewed and approved by the Board after seeking professional advice. The Managing Director reviews and approves remuneration and conditions for other staff in the context of agreed parameters established by the Board.

Communication of the Foundation's affairs to members, supporters and the public is widely undertaken. There is direct communication through newsletters and the provision of the Annual Report to members. The Annual Report and full financial disclosure, together with the Foundation's Constitution, are available on the internet at [www.barrierreef.org](http://www.barrierreef.org).

**Great Barrier Reef Foundation** ABN 82 090 616 443  
**Annual report - 31 December 2015**

**Contents**

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A description of the nature of the entity's operations and its principal activities is included in the review of operations and activities on page 5, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 23 March 2016. The Directors have the power to amend and reissue the financial statements.



**Great Barrier Reef Foundation**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2015**

	Notes	2015 \$	2014 \$
<b>Revenue</b>	2	<b>9,668,004</b>	6,503,325
Science investments		<b>(4,953,699)</b>	(3,044,135)
Employee benefits expense		<b>(1,176,299)</b>	(957,016)
Engagement and communications expense	3	<b>(359,228)</b>	(364,258)
Occupancy and administration expense	3	<b>(482,608)</b>	(393,438)
Business development costs	3	<b>(150,457)</b>	(64,242)
Depreciation and amortisation expense		<b>(15,552)</b>	(13,280)
Loss on disposal of fixed assets		<b>(18)</b>	-
Finance costs		<b>(5,134)</b>	(4,802)
<b>Operating surplus before income tax</b>		<b>2,525,009</b>	1,662,154
Income tax expense		-	-
<b>Operating surplus for the year</b>		<b>2,525,009</b>	1,662,154
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>2,525,009</b>	1,662,154
Operating surplus for the year is attributable to:			
Members of Great Barrier Reef Foundation		<b>2,525,009</b>	1,662,154

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

**Great Barrier Reef Foundation**  
**Statement of financial position**  
**As at 31 December 2015**

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,926,513	2,689,612
Trade and other receivables	6	3,841,267	1,458,257
Financial assets	7	181,723	182,720
Other current assets	8	28,568	20,093
<b>Total current assets</b>		<b>6,978,071</b>	<b>4,350,682</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	76,311	66,024
Intangible assets	10	13,878	16,280
<b>Total non-current assets</b>		<b>90,189</b>	<b>82,304</b>
<b>Total assets</b>		<b>7,068,260</b>	<b>4,432,986</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	465,108	376,514
Provisions	12	128,129	120,868
<b>Total current liabilities</b>		<b>593,237</b>	<b>497,382</b>
<b>Non-current liabilities</b>			
Provisions	12	14,410	-
<b>Total non-current liabilities</b>		<b>14,410</b>	<b>-</b>
<b>Total liabilities</b>		<b>607,647</b>	<b>497,382</b>
<b>Net assets</b>		<b>6,460,613</b>	<b>3,935,604</b>
<b>FUNDS</b>			
Restricted reserves	13(a)	5,717,651	3,337,095
Retained operating surplus	13(b)	742,962	598,509
<b>Total funds</b>		<b>6,460,613</b>	<b>3,935,604</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**Great Barrier Reef Foundation**  
**Statement of changes in equity**  
**For the year ended 31 December 2015**

	Notes	Restricted reserves \$	Retained operating surplus \$	Total equity \$
<b>Balance at 1 January 2014</b>		1,714,655	558,795	2,273,450
Surplus for the year		-	1,662,154	1,662,154
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>1,662,154</b>	<b>1,662,154</b>
Transfer to (from) retained opening surplus to (from) restricted reserves	13	1,622,440	(1,622,440)	-
<b>Balance at 31 December 2014</b>		<b>3,337,095</b>	<b>598,509</b>	<b>3,935,604</b>
<b>Balance at 1 January 2015</b>		3,337,095	598,509	3,935,604
Surplus for the year		-	2,525,009	2,525,009
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>2,525,009</b>	<b>2,525,009</b>
Transfer to (from) retained opening surplus to (from) restricted reserves	13	2,380,556	(2,380,556)	-
<b>Balance at 31 December 2015</b>		<b>5,717,651</b>	<b>742,962</b>	<b>6,460,613</b>

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

**Great Barrier Reef Foundation**  
**Statement of cash flows**  
**For the year ended 31 December 2015**

	2015	2014
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and researchers (inclusive of goods and services tax)	(5,887,546)	(4,754,291)
Grants and donations received	7,200,351	6,775,343
Employment costs	(1,154,627)	(929,346)
<b>Net cash inflow from operating activities</b>	<b>158,178</b>	<b>1,091,706</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment (exclusive of goods and services tax)	(23,689)	(4,992)
Term deposits held as bank guarantees	997	(2,963)
Payments for patents and trademarks	(455)	(6,274)
Proceeds from sale of property, plant and equipment (exclusive of goods and services tax)	689	-
Interest received	101,181	79,055
<b>Net cash inflow from investing activities</b>	<b>78,723</b>	<b>64,826</b>
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>236,901</b>	1,156,532
Cash and cash equivalents at the beginning of the financial year	<b>2,689,612</b>	1,533,080
<b>Cash and cash equivalents at end of year</b>	<b>2,926,513</b>	<b>2,689,612</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Great Barrier Reef Foundation.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profit Commission (ACNC) Act 2012*. Great Barrier Reef Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Great Barrier Reef Foundation comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

#### (iii) New and amended standards adopted by the group

The Foundation has applied the following standards and amendments for first time in their annual reporting period commencing 1 January 2015:

- AASB 2013-3 *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*
- AASB 2014-1 *Amendments to Australian Accounting Standards*

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

#### (iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the Foundation. The Foundation's assessment of the impact of these new standards and interpretations is set out below.

<b>Title of standard</b>	<b>Nature of change</b>	<b>Impact</b>	<b>Mandatory application date/ Date of adoption by the Foundation</b>
AASB 9 <i>Financial Instruments</i>	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	Following the changes approved by the AASB in December 2014, the Foundation no longer expects any impact from the new classification, measurement and derecognition rules on the Foundation's financial assets and financial liabilities. There will also be no impact on the Foundation's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Foundation does not have any such liabilities.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

## 1 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Foundation
AASB 15 <i>Revenue from Contracts with Customers</i>	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.	At this stage, the Foundation is not able to estimate the impact of the new rules on the Foundation's financial statements. The Foundation will make more detailed assessments of the impact over the next twelve months.	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Foundation: 1 January 2018.
IFRS 16 - Leases	IFRS 16 specifies how to recognise, measure, present and disclose leases. The updated standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases. However, if the term is 12 months or less or the underlying asset has a low value, lessors can continue to classify leases as operating or finance. IFRS 16's approach to lessor accounting remains substantially unchanged from its predecessor, IAS 17.	The only significant operating lease is the lease of premises in Newstead, Queensland. An asset and associated liability is expected to be recognised for this lease upon adoption of this Standard. A periodic amortisation and interest charge is expected to be recognised in the Statement of Profit or Loss and Other Comprehensive Income, the amounts of which are not expected to be material.	IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. Expected date of adoption by the Foundation: 1 January 2019

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### (v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

## **1 Summary of significant accounting policies (continued)**

### **(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and duties and taxes paid.

Revenue is recognised for the major business activities using the methods outlined below.

#### *(i) Interest*

Interest revenue is recognised when the interest entitlement has been earned.

#### *(ii) Donations*

Income from donations is recognised at the earlier of when the donation is received or entitled to be received by the Foundation.

#### *(iii) Corporate grants*

Income from corporate grants is recognised when the grant is entitled to be received by the Foundation.

#### *(iv) Government grants*

Grants received from the government are recognised as revenue to the extent they have been received into the Foundation's bank account or are entitled to be received by the Foundation at year end.

#### *(v) Royalties*

Revenue from royalties is recognised when the royalty is earned.

#### *(vi) Inkind donations*

In kind donations, such as the provision of goods and services from pro bono partners, are recognised as revenue when provided to the Foundation. These in kind donations are also recorded as a matching asset or expense depending on the nature of the service provided.

### **(c) Income tax**

The Foundation is a tax exempt entity and is therefore not liable for income tax.

### **(d) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Foundation as lessee are classified as operating leases (note 15). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

### **(e) Acquisition of assets**

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

### **(f) Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## **1 Summary of significant accounting policies (continued)**

### **(g) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, 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. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### **(h) Trade and other receivables**

Trade and other receivables are recognised at cost, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade and other receivables) is used when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables.

### **(i) Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- |                          |              |
|--------------------------|--------------|
| - Furniture and fittings | 2 - 20 years |
| - Plant and equipment    | 2 - 10 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

### **(j) Intangible assets**

#### *(i) Trademarks and licences*

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 5 to 10 years.

Trademarks that do not have a finite useful life are carried at cost less accumulated impairment.

### **(k) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables and other accounts payable are recognised when the Foundation becomes obliged to make future payments resulting from the purchase of goods and services.



## 1 Summary of significant accounting policies (continued)

### (l) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (m) Employee benefits

#### (i) Wages, salaries and annual leave

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

#### (ii) Other long-term employee benefit obligations

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Foundation in respect of services provided by employees up to reporting date.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### (iii) Sick leave

Liabilities for non-accumulating sick leave are not recognised by the Foundation in its Annual Report.

#### (iv) Superannuation

The Foundation makes compulsory superannuation contributions in accordance with the Superannuation Guarantee Charge. Any superannuation accrued and not paid at balance date is recognised as a liability.

### (n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances, the GST recognised is part of the cost of acquisition of the asset or as part of the item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

**Great Barrier Reef Foundation**  
**Notes to the financial statements**  
**31 December 2015**  
(continued)

**2 Revenue**

	2015	2014
	\$	\$
Project grants received	2,731,948	1,574,653
Government research contributions	4,243,690	2,778,523
Pro-bono services	444,534	386,064
Donations - Chairman's Panel	775,000	769,200
Membership fees - Chairman's Panel	182,400	182,400
Grants received - project fees	906,792	589,886
Royalties - cause related marketing	31,620	40,395
Donations	232,128	27,918
Interest income	100,597	82,786
Other revenue	19,295	71,500
	9,668,004	6,503,325

**3 Expenses**

	2015	2014
	\$	\$

**Surplus before income tax includes the following specific expenses:**

***Employee benefits expenses***

Defined contribution superannuation expense	98,137	77,160
---	--------	--------

***Business development costs***

Pro-bono services	105,545	21,435
Expenses other than pro-bono services	44,912	42,807
	150,457	64,242

***Occupancy and administration expenses***

Pro-bono services	198,819	146,717
Expenses other than pro-bono services	283,789	246,721
	482,608	393,438

***Engagement and communications expense***

Pro-bono services	140,170	217,912
Expenses other than pro-bono services	219,058	146,346
	359,228	364,258

#### 4 Current assets - Cash and cash equivalents

	<b>2015</b>	<b>2014</b>
	\$	\$
Deposits at call	<b>1,837,082</b>	1,813,901
Operating accounts	<b>171,206</b>	251,163
Public fund accounts	<b>57,307</b>	37,055
Project accounts	<b>860,918</b>	587,493
	<b><u>2,926,513</u></b>	<u>2,689,612</u>

##### (a) Public fund monies

The Foundation is registered as an Environmental Organisation under legislative requirements in the *Income Tax Assessment Act*.

One of the mandatory constitutional requirements of environmental organisations includes the establishment and maintenance of a public fund:

- to which gifts of money or property for its principal purpose are to be made; and
- to which any money received because of such gifts is to be credited; and
- that does not receive any other money or property.

The release of monies from the public fund account and the management of, and sale of, public fund assets must be authorised by the fund's management committee.

##### (b) Project account

The project account is restricted for use of specific project income and expenditure. This includes monies received and relating to Project grants.

#### 5 Assets subject to a restriction

Funds received for research generally consist of two components. The first component being a management fee that can be used by the Foundation to manage the project and meet operating and administrative costs. The second component is to be directed in its entirety towards future research projects. There is generally a timing difference between earning income and the matching expenditure. Income received for projects is considered to be restricted income to the extent that it is to be matched by expenditure. When income is earned in a year and the matched expenditure is less than the income earned, the surplus amount is moved from retained earnings to the Restricted Funds Reserve. Conversely, where the matched expenditure in any given year is greater than the income earned, the shortfall amount is moved from the Restricted Funds Reserve to retained earnings.

In the years when Restricted Fund Reserve increases, there will be a negative effect on retained earnings for the year. Conversely, in the years when the Restricted Fund Reserve decreases, there will be a positive effect on retained earnings for the year. Over the long term, the position is neutral on the basis that all restricted funds received are fully expended. As a result the Board and management consider the following net assets to be restricted for application towards future research projects:

##### (a) Resilient Reefs

	<b>2015</b>	<b>2014</b>
	\$	\$
Resilient Reefs project funds recognised as restricted reserves	<b><u>1,156,955</u></b>	<u>1,458,769</u>

**5 Assets subject to a restriction (continued)**

**(b) eReefs**

	2015	2014
	\$	\$
Project grants recognised as restricted reserves	<b>2,160,300</b>	1,105,732

**(c) Reef Resilience Fund**

	2015	2014
	\$	\$
Project grants recognised as restricted reserves	<b>1,575,000</b>	-

**(d) ZooX™ Fund**

	2015	2014
	\$	\$
ZooX™ project funds recognised as restricted reserves	<b>527,661</b>	546,679

Funds from bequests, sponsorships and interest earned on project funds are also considered to be restricted. The primary bequest was received during 2009 from Sir Ian McFarlane. The Board has resolved to separately invest these funds with the earnings to be used to fund lectures and training.

**(e) Bequests, sponsorships and other**

	2015	2014
	\$	\$
Bequests, sponsorships and other recognised as restricted reserves	<b>297,735</b>	225,915

**6 Current assets - Trade and other receivables**

	2015	2014
	\$	\$
Grants, donations and royalties receivable	<b>3,837,280</b>	1,357,260
Interest receivable	<b>3,987</b>	4,571
Goods and services tax (GST) receivable	-	96,426
	<b>3,841,267</b>	1,458,257

The Foundation has recognised no losses in respect to the impairment of trade receivables during the year ended 31 December 2015 (2014: nil). There were no material trade receivables past their due date at 31 December 2015.

**7 Current assets - Financial assets**

	2015	2014
	\$	\$
Term deposit held as security	<b>181,723</b>	182,720

## 8 Current assets - Other current assets

	2015	2014
	\$	\$
Deposits paid	14,738	5,725
Prepayments	13,830	14,368
	28,568	20,093

## 9 Non-current assets - Property, plant and equipment

	Plant and equipment \$	Leased plant and equipment \$	Artwork \$	Total \$
<b>At 1 January 2014</b>				
Cost	136,255	21,342	10,400	167,997
Accumulated depreciation	(77,802)	(14,173)	(4,034)	(96,009)
Net book amount	58,453	7,169	6,366	71,988
<b>Year ended 31 December 2014</b>				
Opening net book amount	58,453	7,169	6,366	71,988
Additions	4,992	-	-	4,992
Depreciation charge	(9,560)	(779)	(617)	(10,956)
Closing net book amount	53,885	6,390	5,749	66,024
<b>At 31 December 2014</b>				
Cost	141,247	21,342	10,400	172,989
Accumulated depreciation	(87,362)	(14,952)	(4,651)	(106,965)
Net book amount	53,885	6,390	5,749	66,024
<b>Year ended 31 December 2015</b>				
Opening net book amount	53,885	6,390	5,749	66,024
Additions	20,973	-	2,716	23,689
Disposals	(707)	-	-	(707)
Depreciation charge	(11,394)	(720)	(581)	(12,695)
Closing net book amount	62,757	5,670	7,884	76,311
<b>At 31 December 2015</b>				
Cost	158,680	21,342	13,118	193,140
Accumulated depreciation	(95,923)	(15,672)	(5,234)	(116,829)
Net book amount	62,757	5,670	7,884	76,311

## 10 Non-current assets - Intangible assets

	Trademarks at cost \$	Total \$
<b>At 1 January 2014</b>		
Cost	21,883	21,883
Accumulation amortisation	(9,553)	(9,553)
Net book amount	<u>12,330</u>	<u>12,330</u>
<b>Year ended 31 December 2014</b>		
Opening net book amount	12,330	12,330
Additions	6,274	6,274
Amortisation charge **	(2,324)	(2,324)
Closing net book amount	<u>16,280</u>	<u>16,280</u>
<b>At 31 December 2014</b>		
Cost	27,474	27,474
Accumulation amortisation	(11,194)	(11,194)
Net book amount	<u>16,280</u>	<u>16,280</u>
<b>Year ended 31 December 2015</b>		
Opening net book amount	16,280	16,280
Additions	455	455
Amortisation charge **	(2,857)	(2,857)
Closing net book amount	<u>13,878</u>	<u>13,878</u>
<b>At 31 December 2015</b>		
Cost	27,929	27,929
Accumulated amortisation	(14,051)	(14,051)
Net book amount	<u>13,878</u>	<u>13,878</u>

\*\* Amortisation of \$2,857 (2014: \$2,324) is included in depreciation and amortisation expense in profit or loss.

## 11 Current liabilities - Trade and other payables

	2015 \$	2014 \$
Accounts payable	233,814	313,260
Science project accrued expenses	173,105	63,254
Goods and services tax (GST) payable	58,189	-
	<u>465,108</u>	<u>376,514</u>

No interest is charged on trade payables. The Foundation has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 12 Provisions

	2015			2014		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Provision for employee benefits	<b>128,129</b>	<b>14,410</b>	<b>142,539</b>	120,868	-	120,868

## 13 Funds

### (a) Reserves

	2015	2014
	\$	\$
Restricted fund reserve	<b>5,717,651</b>	3,337,095

#### Movements:

<i>Restricted fund reserve</i>		
Balance 1 January	<b>3,337,095</b>	1,714,655
Transfer to retained operating surplus (restricted expenses)	<b>(4,839,068)</b>	(2,833,573)
Transfer from retained operating surplus (restricted income)	<b>7,219,624</b>	4,456,013
Balance 31 December	<b>5,717,651</b>	3,337,095

The following table shows the balances in the restricted funds reserve in relation to each fund/project:

	2015	2014
	\$	\$
<i>Restricted fund/project</i>		
ZooX fund	<b>527,661</b>	546,679
eReefs	<b>2,160,300</b>	1,105,732
Reef Resilience Fund	<b>1,575,000</b>	-
Sir Ian MacFarlane Bequest	<b>160,832</b>	153,836
Resilient Reefs	<b>1,156,955</b>	1,458,769
Sponsorships	<b>17,869</b>	27,273
Other	<b>119,034</b>	44,806
Balance 31 December	<b>5,717,651</b>	3,337,095

### 13 Funds (continued)

#### (b) Retained operating surplus

Movements in retained operating surplus were as follows:

	2015 \$	2014 \$
Balance 1 January	598,509	558,795
Net operating surplus for the year	2,525,009	1,662,154
Net transfer from retained operating surplus to restricted fund reserves	<u>(2,380,556)</u>	<u>(1,622,440)</u>
Balance 31 December	<u>742,962</u>	<u>598,509</u>

### 14 Contingent liabilities

The Foundation had no contingent liabilities at 31 December 2015 (2014: nil).

### 15 Commitments

#### (a) Capital and other commitments

Grant expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2015 \$	2014 \$
<b><i>eReefs projects payable:</i></b>		
Within one year	2,949,000	835,745
Later than one year but not later than five years	<u>1,816,100</u>	<u>600,000</u>
	<u>4,765,100</u>	<u>1,435,745</u>
<b><i>Resilient Reefs projects payable:</i></b>		
Within one year	517,294	960,989
Later than one year but not later than five years	<u>35,000</u>	<u>175,968</u>
	<u>552,294</u>	<u>1,136,957</u>
<b><i>Reef Resilience projects payable:</i></b>		
Within one year	2,480,000	-
Later than one year but not later than five years	<u>3,015,000</u>	<u>-</u>
	<u>5,495,000</u>	<u>-</u>
<b><i>Other projects payable:</i></b>		
Within one year	-	5,000
	<u>-</u>	<u>5,000</u>

Contracts for revenue are committed and in place to cover the above listed commitments over the 5 year period.



## 15 Commitments (continued)

### (b) Lease commitments: Foundation as lessee

#### (i) Non-cancellable operating leases

	2015	2014
	\$	\$
Commitments in relation to leases contracted for at the end of each reporting period but not recognised as liabilities, payable:		
Within one year	99,754	126,601
Later than one year but not later than five years	7,394	95,823
	107,148	222,424

## 16 Related party transactions

### (a) Key management personnel

	2015	2014
	\$	\$
Key management personnel compensation	408,344	223,099

Great Barrier Reef Foundation Board Members and other Executive Committee Members comprise entirely of volunteers. No fees are paid for serving as a volunteer Board or Committee Member.

### (b) Other transactions with key management personnel or entities related to them

#### Directors of Great Barrier Reef Foundation

Some of the directors are donors in their own right or are directors of companies which have donated monies to the Foundation.


Aggregate amounts of donations received from related parties of Great Barrier Reef Foundation:

	2015	2014
	\$	\$
<b>Amounts recognised as revenue</b>		
Grants and donations received	3,686,441	1,447,262

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 31 are in accordance with the *Australian Charities and Not-for-Profit Commission (ACNC) Act 2012*, including:
  - (i) complying with Accounting Standards and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2015 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Foundation 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 Directors.



John Michael Schubert AO  
Chairman

23 March 2016



Anna Catherine Marsden  
Managing Director

23 March 2016

## **Independent Auditor's Report to the Members of Great Barrier Reef Foundation**

We have audited the accompanying financial report of Great Barrier Reef Foundation (the "Foundation"), which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 14 to 32.

### *Directors' Responsibility for the Financial Report*

The directors of the Foundation 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, the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (the ACNC Act) 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.

### *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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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

## *Opinion*

In our opinion, the financial report of Great Barrier Reef Foundation is in accordance with Division 60 of the ACNC Act, including:

- (a) giving a true and fair view of the Foundation's financial position as at 31 December 2015 and of its performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzani  
Partner  
Chartered Accountants  
Brisbane, 23 March 2016