

# **Great Barrier Reef Foundation**

ABN 82 090 616 443

## **Annual report for the year ended 31 December 2014**

**Great Barrier Reef Foundation** ABN 82 090 616 443  
**Annual report - 31 December 2014**

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## Director's Report

*"The Great Barrier Reef is an icon under pressure. Everyone's actions, whether big or small, to reduce threats and help restore its condition will improve its outlook. Combined, they will make the Reef more able to recover from the legacy of past actions and better able to withstand those predicted to threaten its future."<sup>1</sup>*

The Reef maintained a high national and international profile during 2014 with significant focus on the issues of concern to the World Heritage Committee. A series of major reports that set out the state of the Reef and the efficacy of Reef management were also released by governments during the year including the final Great Barrier Reef Strategic Assessments (for both the coastal and marine zones) and the 2014 Outlook Report for the Reef. Later in the year, the Reef 2050 Plan which is intended to provide the overarching framework for protecting and managing the Great Barrier Reef from 2015 to 2050 was released for comment. The final version of the Plan was publicly released on 22 March 2015..

While the Reef itself is the subject of much attention, something not often featured in the public discussion is the science going on behind the scenes to deliver knowledge that will support the protection of this wonderful natural asset. In 2014, the Foundation managed a portfolio of 20 research investments, totalling more than \$7m, which specifically seek to address some of the important Reef management needs.

Research highlights for 2014 include the installation of an ocean chemistry sensor on the Australian Institute of Marine Science's research vessel (the RV Cape Ferguson) which is providing important new information on ocean acidification; the sequencing of the first boulder coral genome; the use of underwater autonomous vehicles to map the structural complexity of coral reefs; and the release of the eReefs Water Quality Dashboard which is publically accessible via the Bureau of Meteorology's website.

In addition to funding and managing research, the Foundation continues to strengthen its leadership role in catalysing research and facilitating its adoption by end-users. Over the past year the Foundation developed three new research frameworks in the areas of Ocean Acidification, Reef Connectivity and Integrated Decision-Making. These frameworks were developed collaboratively with leading national and international experts and Reef managers to ensure that the research described within the frameworks will deliver positive outcomes for the Reef.

Harnessing the current high level of interest in the Reef, the Foundation has also launched a new engagement initiative called ReefBlitz which provides a real, practical mechanism for people to contribute positively to the Reef's future. The successful pilot event, hosted in October 2014, saw 400 members of the general public, including school students, descend on Airlie Beach to learn about the Reef and the threats it faces, discover and document local fauna and flora and connect with Reef citizen science groups.

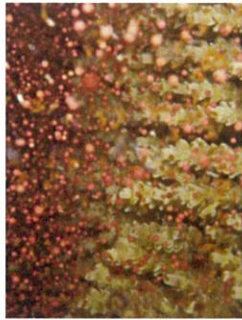
All of these achievements are only made possible by the generous and sustained commitment of the Foundation's supporters. Your commitment to the Reef and the vision of the Foundation enables us to fund the research Reef managers, users and policy makers need to protect and preserve this treasure for all Australians and for the world. We thank our supporters and look forward to their continued support in 2015 as we celebrate our 15<sup>th</sup> birthday.

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<sup>1</sup> Great Barrier Reef Marine Park Authority 2014, Great Barrier Reef Outlook Report 2014: in brief, page v

The Year in Review

RESEARCH INVESTMENTS

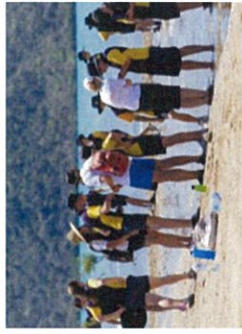


*Providing knowledge to inform management of the Reef in the face of an increasingly variable climate.*

The Foundation managed the delivery of 20 research projects in 2014, 5 new investments, and the remaining 15 a continuation of projects which commenced in previous years. One of the new projects, exploring the genetic differences of corals under different environmental conditions, was one of only 9 projects funded via the Queensland Government's new Accelerate Queensland Partnerships grant scheme. The Foundation's \$100,000 contribution to this project was leveraged more than 20 times by a combination of government and research organisation investment, together totalling more than \$2m.

Leveraging funding to deliver maximum return on investment to our funders is an important guiding principle for the Foundation. This is most evident when considering the Foundation's Federal Government Resilient Reefs grant - with just two years of this grant received, the Foundation has leveraged the \$6m received with another \$8m of private sector funding, a \$3m Queensland Government commitment and \$19m of co-contributions from research and management agencies. This represents a five-fold return on the original investment.

REEFBLITZ



*Engaging the community in Reef science*

One of the questions the Foundation is asked most often is 'How can I help?' With this in mind, and building on its current citizen science program, the Foundation began a new community science engagement program in 2014 called 'ReefBlitz'.

The inaugural ReefBlitz event, held at Airie Beach, allowed community members to become 'citizen scientists' and to discover and document important plant and animal species whilst also contributing meaningful data and information.

More than 400 people including, school students, participated in the two-day ReefBlitz event - identifying and documenting species from birds to reptiles, seagrasses and coral as well as undertaking a beach clean-up.

Highlights of the event included the sighting of a very rare intertidal spider and the discovery of a previously undescribed species of Hover Fly! ReefBlitz was supported by the Queensland Government, Qantas, Earthwatch and a multitude of local community groups including Landcare, ReefCheck and Seagrass Watch and Queensland Museum.

RESEARCH DEVELOPMENT



*Convening experts to synthesise knowledge and map future research pathways*

In 2014 the Foundation continued to take a leadership role in catalysing Reef research, and facilitating the uptake and adoption of research outcomes by Reef managers.

Three new research frameworks were developed collaboratively by Reef managers and leading national and international experts in the areas of Ocean Acidification, Reef Connectivity and Integrated Decision-Making. These frameworks will guide the Foundation's research investment and ensure that the research we fund continues to be strategic, integrated and directed towards achieving the best possible management outcomes for the Great Barrier Reef.

Continuing the theme of 'research for Reef management', in 2014 the Foundation also facilitated the development of several discussion papers outlining how research outcomes could be applied to the management of the Reef, including a white paper on genomics and Reef management, and continued to convene the 'Research Adoption Group' and eReefs User Reference Group – both groups of key research users.



**EREEFS**



*A successful first phase provides new products for Reef management*

The eReefs project continues to make significant technical progress.

During 2014, the first of the eReefs products was delivered with the launch of the Marine Water Quality Dashboard which provides access to a range of visually displayed water quality indicators in near real-time to better manage the Reef.

The project's future progress is now also underpinned with further funding commitments to Phases 2 & 3 made by the Australian and Queensland Governments.

The eReefs Project is a collaboration between the Great Barrier Reef 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 Government's Caring for our Country Initiative, the Queensland Government, BHP Billiton Mitsubishi Alliance and the Science Industry Endowment Fund.

**GENOMICS**



*Core genetic data for corals from the Great Barrier Reef and Red Sea gathered to help guide management responses to climate change*

The Sea-sequence project is a ReFuGe2020 initiative supported by Rio Tinto and Bioplatforms Australia. This project is sequencing the genomes of 10 coral species and their symbionts (microbes and algae) from the Great Barrier Reef and the Red Sea. During 2014 the Sea-sequence project:

- Sequenced the genomes of 4 coral species
- Sequenced the genomes of two coral Symbiodinium, and
- Sampled and extracted microbes and viruses from key coral species.

An essential part of all new science approaches and discoveries is documentation of the findings. With this in mind, a white paper explaining how genomics-based approaches can inform Reef management and a more technical paper written in collaboration with Prof. John Mattick, the Executive Director of the Garvan Institute, are to be submitted to scientific journals for publication.

A video outlining how the ReFuGe2020 consortium has come together to help address the gap in knowledge around coral resilience and their capacity to adapt is now available on the Foundation's website. This video was filmed during a ReFuGe2020 workshop that was convened at the King Abdullah University of Science & Technology in Saudi Arabia in April 2014.

**CITIZEN SCIENCE**



*Empowering community groups to provide data on reef health*

Boeing's partnership with the Foundation in recent years to build the Citizen Science Initiative is creating new opportunities for engaging the community in the protection and preservation of the iconic Great Barrier Reef.

In 2014 this program:

- Launched a Great Barrier Reef Citizen Science Alliance website detailing citizen science activities on the GBR and how to get involved
- Expanded the Alliance from 5 to 8 citizen science groups, with more than 5,000 members collectively
- Hosted a Reef Citizen Science day with events held along the length of the Reef engaging more than 2,000
- Participated in the inaugural ReefBlitz event at Airlie Beach, and
- Developed a social media module as part of a Great Barrier Reef citizen science toolkit.

In recognition of the effectiveness of the Alliance model, and its transferability to other citizen science groups beyond the Reef, the Alliance coordinator was invited to present at a national citizen science conference. The Foundation looks forward to growing this program with Boeing's ongoing support in 2015.



**CHAIRMAN'S PANEL AND ZOOX AMBASSADOR PROGRAM**



*Engaging and informing our network about the state of the Reef and the Foundation's work*

The Foundation's Chairman's Panel (CP) met on May 24th & 25th at Port Douglas for their annual forum on the Reef. The Panel was also joined by Queensland Premier, Campbell Newman and Minister for Environment and Heritage Protection, Andrew Powell. Over the weekend Panel members were briefed on the challenges facing the Reef, the research and management efforts to protect it and the ways in which they and their organisations can engage with the Foundation.

CP members were also given the opportunity to experience the beauty of the Reef and the challenges it faces first hand with snorkelling trips to Low Isles and Sandy Cay with expert science guides. At Low Isles the impact of Cyclone Ita which passed through in April was visible to all.

In November, 10 Ambassadors from BHP Billiton Mitsubishi Alliance, Energetics, Leo Burnett and Qantas attended the 2014 ZooX Ambassadors Program at Heron Island. The program included briefings about the work of the Foundation, recent advances in coral reef science and one-on-one executive mentoring opportunities. Ambassadors were encouraged to develop communication plans and products for sharing their learnings within their organisations and with their stakeholders.

**THE BOMMIES AWARD**



*Encouraging young researchers to develop strong science communication skills*

In early 2014 the Foundation was delighted to announce the winners of the Bommies Young Researcher Award. Kirsty Nash from James Cook University won the overall prize for her short video entitled "Big Fish, Small Fish" that explores the impacts of climate change on Reef fish. A very humorous video on the plight of "Hermann the Sea Cucumber" won the People's Choice Award.

The new video format for the Bommies Award is proving to be a success with 11 entries received in the 2014 Bommies competition which will be judged in early 2015 by an independent expert panel. The general public can also be encouraged to vote via Facebook at [www.facebook.com/BommiesbyGBRF](http://www.facebook.com/BommiesbyGBRF).

The Bommies videos produced by up and coming young researchers are a brilliant tool for communicating to our network about the Reef and the challenges it faces.

**OCEAN ACIDIFICATION**



*A whole-of-reef picture of ocean chemistry to inform Reef management*

In 2014, the Foundation, with its partners, made significant advances in ocean acidification research on the Great Barrier Reef.

Major highlights include:

- The launch of a world-first ocean acidification science framework describing the research that is required to help tackle ocean acidification on the Reef.
- The public release of two large datasets on ocean acidification conditions along the length and breadth of the Reef. These datasets are collected from sensors on-board the Rio Tinto vessel, RTM Wakmatha, and the AIMS vessel, RV Cape Ferguson.
- The funding of an expedition to investigate coral reef, seagrass and plankton communities around shallow volcanic seeps of pure carbon dioxide in Papua New Guinea.

These projects will continue into 2015 providing new data and information to Reef managers and improving our understanding of the impact of ocean acidification on the world's coral reefs.

**Principal Activities**

The principal activity of the Foundation is to raise funds to support research into and education about the environmental protection, enhancement, preservation and conservation of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts, for the benefit of the world community. 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 \$1,662,153 (2013: \$988,680).

At year-end, \$3,337,095 (2013: \$1,714,655) is considered by the Board and management 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 four (2013: 3). 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 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 had to pay in 2014, include:

- Allens Linklaters (Legal)
- Strategy& (Consulting)
- Deloitte Touche Tohmatsu (Audit)
- Energetics (ZooX Ambassador Program Faculty and Support)
- KPMG (Company Secretarial & Compliance, Consulting)
- PricewaterhouseCoopers (Accounting)
- Leo Burnett (Branding)

In the last twelve months, these firms and businesses have together provided pro bono services and support services valued at \$386,064 (2013: \$486,567).

*Science Investments*

At 31 December 2014, the Foundation had research investment contracts totalling \$7,747,017. The Foundation endeavours to have its investments leveraged with co-contributions from the relevant research institution and, as appropriate funds from other parties. Inclusive of this leveraging, current research investment contracts are valued at \$24,541,136.

During 2014 the principal beneficiaries of research expenditure by the Foundation were as follows:

<i>Institution</i>	<i>Expenditure (\$)</i>
Australian Institute of Marine Science	300,000
Australian National University	110,000
Bureau of Meteorology	500,000
CSIRO	382,672
Griffith University	230,000
James Cook University	359,997
Monash University	2,000
Southern Cross University	7,956
Sydney University	250,000
University of Queensland	475,284
<i>Total</i>	<i>2,617,909</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 and, wherever possible, exceeding industry best practice in its use of all of its donors' funds.

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 meeting the NFP's mission) rather than servicing the NFP's operating costs. Best practice guidance from the Fundraising Institute of Australia's *Principles of Fundraising Practice* suggests that this proportion should lie between 65% and 75% (or above). For the 2014 year, the Foundation's Proportion of Project Expenditure to Total Expenditure was 78.4% (2013 85.8%).

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. *The Charitable Fundraising Act 1991 (NSW)* places a statutory limit on the cost of fundraising ratio of less than 40% of the funds raised for any particular appeal.

For the 2014 year the Foundation's Cost of Fundraising and Administration was 15.8% (2013 11.9%).

#### 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 "pressure tested" for reasonableness. For instance, in the Foundation's case, project expenditure comprises research grants, science project management and costs associated with raising awareness. The cost of fundraising and administration is the balance of expenditure after project expenses. This comprises costs that are commercial in nature and those associated with marketing and fundraising.
2. Pro Bono services and support are excluded from all ratio calculations on the basis that this income and expenditure have a nil 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: Member donations to the Panel program 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 11/4/2001)

*BCEng (Hons 1), PhD (Chem Eng), FIEAust, CPEng, FTS, FIChemE*

Ian Craig Buchanan (director since 15/2/2005)

*MA (Oxon) MBA*

Michael Andrew Cameron (Outgoing Chairman Audit and Compliance Committee since 15/11/2010) (director since 09/09/2010)

*BBus, FCPA, FCA, FAICD*

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

*BEcon*

Kerry Lee Gardner (resigned 17/5/2014)

*Grad. Dip (Mkg)*

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)

*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*



Steven Andrew Sargent (director since 18/02/2015)

*BBus, FTSE*

Phillip David Strachan (director since 23/12/2003) (Incoming Chairman Audit and Compliance Committee)

*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)

*BSc (Geology), MBA*

#### **Audit 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.

Michael Andrew Cameron (Chairman Audit and Compliance Committee since 15/11/2010) (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, SFSIA*

#### **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)

*BEcon Qld, BE (Hons) NSW, PhD NSW, FIE Aust, FTSE, FIChemEng, MAIChe*

Claire Louise Hanratty (Managing Director) (director since 1/12/2011)

*BCA (First Class Hons), MBA*

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

*BE (First Class Hons), PhD (Civil Eng)*

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

*BSc PhD, FAICD, FTSE*

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

*BCEng (Hons 1), PhD (Chem Eng), FIEAust, CPEng, FTS, FIChemE*

Representative from the Australian Government Department of Environment

#### **Philanthropy Committee**

The Foundation Board established the Philanthropy Committee to assist in fulfilling its oversight responsibilities by monitoring and reporting to the Board on the advancement of the development of the Foundation's philanthropy strategy. The following Directors are members of the Philanthropy Committee:

Kerry Lee Gardner (Chair) (resigned 17/5/2014)

*Grad. Dip (Mkg)*

Claire Louise Hanratty (Managing Director) (director since 1/12/2011)

*BCA (First Class Hons), MBA*

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*

#### **Company Secretary**

Kerri Suzanne Ryan (since 30/11/2011)

*BBus, CPA*

**Scientific Advisory Panel**

The 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)	4	4
Ian Craig Buchanan	1	4
Stephen Charles Fitzgerald	3	4
Paul Fawcett Greenfield	2	4
Kerry Lee Gardner	2	2
Amanda Therase McCluskey	4	4
John Francis Mulcahy	3	4
Russell Evan Reichelt	4	4
Claire Louise Hanratty (Managing Director)	4	4
Phillip David Strachan	3	4
Keith Henry Tuffley	4	4
David John Turner	3	4
Peter Francis Young	3	4
Michael Andrew Cameron	2	4
Steven Andrew Sargent	0	0

**Audit Committee**

**Meetings of Audit &  
Compliance  
Committee**

	A	B
Michael Andrew Cameron (Outgoing Chairman)	4	4
Isaac Alexander Fletcher	2	4
Clayton Neil Herbert	2	4
Anthony Peter Rose	3	4
Phillip David Strachan (Incoming Chairman)	0	0

**Portfolio Committee**

**Meetings of  
Portfolio Committee**

	A	B
John Francis Mulcahy (Chair)	2	2
Paul Fawcett Greenfield	2	2
Claire Louise Hanratty	2	2
Russell Evan Reichelt	0	2
Australian Government Representative	2	2

**Philanthropy Committee**

**Meetings of  
Philanthropy  
Committee**

	A	B
Kerri Gardner	0	0
Claire Louise Hanratty	1	1
Keith Henry Tuffley	1	1
David John Turner	1	1

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 (2013: \$5,488) 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 66 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 31.

**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 4 (2013: 3). 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 2014, the number of members was 106 (2013: 103).

**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.*

**Commonwealth Regulation**

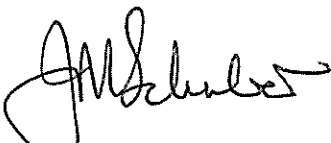
Environmental organisations, including the Foundation, are required to comply with the requirements of the Commonwealth Department of Environment, Water, Heritage and the Arts and the Australian Taxation Office in order to remain on the Register of Environmental Organisations (REO). This register lists 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**

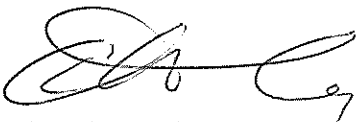
The Foundation will continue to focus on funding research aligned with the Research Portfolio it published in 2010 with a particular emphasis on those projects which have been identified as a priority by the Foundation's Scientific Advisory Committee.

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.

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



John Michael Schubert  
Chairman



Claire Louise Hanratty  
Managing Director



## 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 and Compliance Committee monitors the Foundation's financial activities and performance. The Audit 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 2014**

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These financial statements are the financial statements of Great Barrier Reef Foundation as an individual entity. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 1 April 2015. 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 2014**

	Notes	2014 \$	2013 \$
<b>Revenue</b>	3	<b>6,503,325</b>	6,655,255
Science investments		(3,044,135)	(3,717,207)
Employee benefits expense		(957,016)	(909,951)
Engagement and communications expense	4	(364,258)	(273,218)
Occupancy and administration expense	4	(393,438)	(377,048)
Business development costs	4	(64,242)	(368,540)
Depreciation and amortisation expense		(13,280)	(15,870)
Finance costs		(4,802)	(4,741)
<b>Operating surplus before income tax</b>		<b>1,662,154</b>	988,680
Income tax expense		-	-
<b>Operating surplus for the year</b>		<b>1,662,154</b>	988,680
<b>Other comprehensive income for the year</b>		<b>-</b>	-
<b>Total comprehensive income for the year</b>		<b>1,662,154</b>	988,680
Operating surplus for the year is attributable to:			
Members of Great Barrier Reef Foundation		<b>1,662,154</b>	988,680

*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 2014**

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,689,612	1,533,080
Trade and other receivables	7	1,458,257	1,569,499
Financial assets	8	182,720	179,757
Other current assets	9	20,093	11,415
<b>Total current assets</b>		<u>4,350,682</u>	<u>3,293,751</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	66,024	71,988
Intangible assets	11	16,280	12,330
<b>Total non-current assets</b>		<u>82,304</u>	<u>84,318</u>
<b>Total assets</b>		<u>4,432,986</u>	<u>3,378,069</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	376,514	1,011,421
Provisions	13	120,868	93,198
<b>Total current liabilities</b>		<u>497,382</u>	<u>1,104,619</u>
<b>Net assets</b>		<u>3,935,604</u>	<u>2,273,450</u>
<b>FUNDS</b>			
Restricted reserves	14(a)	3,337,095	1,714,655
Retained operating surplus	14(b)	598,509	558,795
<b>Total funds</b>		<u>3,935,604</u>	<u>2,273,450</u>

*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 2014**

	Notes	Restricted reserves \$	Retained operating surplus \$	Total equity \$
<b>Balance at 1 January 2013</b>		866,692	418,080	1,284,772
Surplus for the year		-	988,680	988,680
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	988,680	988,680
Transfer to (from) retained opening surplus to (from) restricted reserves	14	847,963	(847,965)	(2)
<b>Balance at 31 December 2013</b>		<u>1,714,655</u>	<u>558,795</u>	<u>2,273,450</u>
<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>		-	1,662,154	1,662,154
Transfer to (from) retained opening surplus to (from) restricted reserves	14	1,622,440	(1,622,440)	-
<b>Balance at 31 December 2014</b>		<u>3,337,095</u>	<u>598,509</u>	<u>3,935,604</u>

*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 2014**

	Notes	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and researchers (inclusive of goods and services tax)		(4,754,291)	(4,464,687)
Grants and donations received		6,775,343	5,976,538
Employment costs		(929,346)	(913,913)
<b>Net cash inflow from operating activities</b>		<b>1,091,706</b>	<b>597,938</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment (exclusive of goods and services tax)	10	(4,992)	(10,744)
Term deposits held as bank guarantees		(2,963)	(1,186)
Payments to term deposits		-	(150,000)
Payments for patents and trademarks		(6,274)	-
Interest received		79,055	57,297
<b>Net cash inflow (outflow) from investing activities</b>		<b>64,826</b>	<b>(104,633)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	(487)
<b>Net cash inflow (outflow) from financing activities</b>		<b>-</b>	<b>(487)</b>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		1,156,532	492,818
		<b>1,533,080</b>	<b>1,040,262</b>
<b>Cash and cash equivalents at end of year</b>	5	<b>2,689,612</b>	<b>1,533,080</b>

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

## 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity 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 *Corporations Act 2001*. 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) Early adoption of standards

The Foundation has not elected to apply any pronouncements before their operative date in the financial year beginning 1 January 2014.

#### (iii) Historical cost convention

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

### (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 as follows:

#### (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.

## 1 Summary of significant accounting policies (continued)

### (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.

Lease income from operating leases where the Foundation is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

### (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.

### (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.



## 1 Summary of significant accounting policies (continued)

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

Land is not depreciated. Depreciation on other assets 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.

### (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.

#### (iii) Sick leave

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

## 1 Summary of significant accounting policies (continued)

### (m) Employee benefits (continued)

#### (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.

### (o) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 reporting periods and have not yet been applied in the financial statements. The Foundation's assessment of the impact of these new standards and interpretations is set out below.

#### (i) AASB9, AASB2009-11, AASB2010-7

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption. The Foundation is yet to assess its full impact and has not yet decided when to adopt AASB 9.

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

## 1 Summary of significant accounting policies (continued)

### (p) Comparatives

Certain adjustments have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result certain line items have been amended in the notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

From 2014 onwards, ZooX funds revenue is not a significant revenue source to the Foundation. Accordingly, ZooX funds revenue amounts were reclassified into the other respective revenue line items within note 3 based on their nature. The comparative amounts were reclassified in order to improve the relevance and reliability of the financial report to end users.

	2013 \$	Reclassified 2013 \$
Project grants received	937,500	1,802,799
ZooX funds received	1,210,440	-
Government research contributions	2,629,898	2,629,898
Pro-bono services	486,567	486,567
Donations - Chairmans Panel	700,100	573,350
Membership fees - Chairmans Panel	-	126,750
Grants received - project fees	516,011	551,011
Royalties - cause related marketing	27,982	52,571
Non ZooX donations	20,919	-
Donations	-	142,464
Interest income	57,838	63,845
Other revenue	68,000	226,000
	<u>6,655,255</u>	<u>6,655,255</u>

## 2 Critical accounting estimates and judgements

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.

### 3 Revenue

	2014	2013
	\$	\$
Project grants received	1,574,653	1,802,799
Government research contributions	2,778,523	2,629,898
Pro-bono services	386,064	486,567
Donations - Chairman's Panel	769,200	573,350
Membership fees - Chairman's Panel	182,400	126,750
Grants received - project fees	589,886	551,011
Royalties - cause related marketing	40,395	52,571
Donations	27,918	142,464
Interest income	82,786	63,845
Other revenue	71,500	226,000
	6,503,325	6,655,255

### 4 Expenses

	2014	2013
	\$	\$
<b>Surplus before income tax includes the following specific expenses:</b>		
<b><i>Employee benefits expenses</i></b>		
Defined contribution superannuation expense	77,160	71,058
<b><i>Engagement and communications expense</i></b>		
Pro-bono services	217,912	73,803
Expenses other than pro-bono services	146,346	199,415
	364,258	273,218
<b><i>Occupancy and administration expenses</i></b>		
Pro-bono services	146,717	179,764
Expenses other than pro-bono services	246,721	197,284
	393,438	377,048
<b><i>Business development costs</i></b>		
Pro-bono services	21,435	233,000
Expenses other than pro-bono services	42,807	135,540
	64,242	368,540

## 5 Current assets - Cash and cash equivalents

	2014	2013
	\$	\$
Deposits at call	1,813,901	-
Operating accounts	251,163	217,857
Public fund accounts	37,055	250,210
Project accounts	587,493	1,065,013
	2,689,612	1,533,080

### (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.

## 6 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) Department of Environment

	2014	2013
	\$	\$
Department of Environment funds recognised as restricted reserves	1,458,769	710,838

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

**(b) eReefs**

	2014 \$	2013 \$
Project grants recognised as restricted reserves	1,105,732	334,380

**(c) ZooX™ Fund**

	2014 \$	2013 \$
ZooX™ project funds recognised as restricted reserves	546,679	506,358

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/training.

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

	2014 \$	2013 \$
Bequests, sponsorships and other recognised as restricted reserves	225,915	163,079

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

	2014 \$	2013 \$
Grants, donations and royalties receivable	1,357,260	1,568,659
Interest receivable	4,571	840
Goods and services tax (GST) receivable	96,426	-
	1,458,257	1,569,499

The Foundation has recognised no losses in respect to the impairment of trade receivables during the year ended 31 December 2014 (2013: nil). There were no material trade receivables past their due date at 31 December 2014.

**8 Current assets - Financial assets**

	2014 \$	2013 \$
Term deposit held as security	182,720	179,757

**9 Current assets - Other current assets**

	2014	2013
	\$	\$
Deposits paid	5,725	-
Prepayments	14,368	11,415
	20,093	11,415

**10 Non-current assets - Property, plant and equipment**

	Plant and equipment \$	Leased plant and equipment \$	Artwork \$	Total \$
<b>At 1 January 2013</b>				
Cost	125,511	21,342	10,400	157,253
Accumulated depreciation	(65,735)	(13,265)	(3,327)	(82,327)
Net book amount	59,776	8,077	7,073	74,926
<b>Year ended 31 December 2013</b>				
Opening net book amount	59,776	8,077	7,073	74,926
Additions	10,744	-	-	10,744
Depreciation charge	(12,067)	(908)	(707)	(13,682)
Closing net book amount	58,453	7,169	6,366	71,988
<b>At 31 December 2013</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

## 11 Non-current assets - Intangible assets

	Trademarks at cost \$	Total \$
<b>At 1 January 2013</b>		
Cost	21,883	21,883
Accumulation amortisation	(7,364)	(7,364)
Net book amount	<u>14,519</u>	<u>14,519</u>
<b>Year ended 31 December 2013</b>		
Opening net book amount	14,519	14,519
Amortisation charge **	(2,189)	(2,189)
Closing net book amount	<u>12,330</u>	<u>12,330</u>
<b>At 31 December 2013</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
Accumulated amortisation	(11,194)	(11,194)
Net book amount	<u>16,280</u>	<u>16,280</u>

\*\* Amortisation of \$2,324 (2013: \$2,189) is included in depreciation and amortisation expense in profit or loss.



**12 Current liabilities - Trade and other payables**

	2014	2013
	\$	\$
Accounts payable	313,260	29,428
Science project accrued expenses	63,254	967,255
Goods and services tax (GST) payable	-	14,738
	<b>376,514</b>	<b>1,011,421</b>

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.

**13 Current liabilities - Provisions**

	2014	2013
	\$	\$
Provision for employee benefits	<b>120,868</b>	<b>93,198</b>

**14 Funds**

**(a) Reserves**

	2014	2013
	\$	\$
Restricted fund reserve	<b>3,337,095</b>	<b>1,714,655</b>
	<b>\$</b>	<b>\$</b>

**Movements:**

<i>Restricted fund reserve</i>		
Balance 1 January	1,714,655	866,692
Transfer to retained operating surplus	(2,833,573)	(3,759,885)
Transfer from retained operating surplus	4,456,013	4,607,848
Balance 31 December	<b>3,337,095</b>	<b>1,714,655</b>

## 14 Funds (continued)

### (a) Reserves (continued)

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

	2014	2013
	\$	\$
<i>Restricted fund/project</i>		
ZooX fund	546,679	506,358
eReefs	1,105,732	334,380
Sir Ian MacFarlane Bequest	153,836	163,079
Department of Environment	1,458,769	710,838
Sponsorships	27,273	-
Other	44,806	-
Balance 31 December	<u>3,337,095</u>	<u>1,714,655</u>

### (b) Retained operating surplus

Movements in retained operating surplus were as follows:

	2014	2013
	\$	\$
Balance 1 January	558,795	418,080
Net operating surplus for the year	1,662,154	988,680
Net transfer from retained operating surplus to restricted fund reserves	(1,622,440)	(847,965)
Balance 31 December	<u>598,509</u>	<u>558,795</u>

## 15 Commitments

### (a) Capital and other commitments

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

	2014	2013
	\$	\$
<i>eReefs projects payable:</i>		
Within one year	835,745	1,122,834
Later than one year but not later than five years	<u>600,000</u>	<u>600,000</u>
	1,435,745	1,722,834
<i>Resilient Reefs projects payable:</i>		
Within one year	960,989	832,903
Later than one year but not later than five years	<u>175,968</u>	<u>386,989</u>
	1,136,957	1,219,892
<i>Other projects payable:</i>		
Within one year	5,000	349,472
Later than one year but not later than five years	<u>-</u>	<u>-</u>
	5,000	349,472

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

	2014	2013
	\$	\$
Commitments in relation to leases contracted for at the end of each reporting period but not recognised as liabilities, payable:		
Within one year	126,601	112,915
Later than one year but not later than five years	95,823	199,170
	<b>222,424</b>	<b>312,085</b>

## 16 Related party transactions

### (a) Key management personnel

	2014	2013
	\$	\$
Key management personnel compensation	223,099	218,200

### (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.

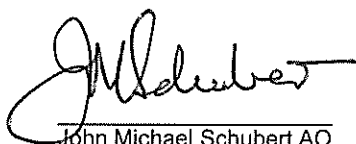
Aggregate amounts of donations received from related parties of Great Barrier Reef Foundation:

	2014	2013
	\$	\$
<b>Amounts recognised as revenue</b>		
Grants and donations received	<b>1,447,262</b>	<b>2,196,029</b>

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 12 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 Foundation's financial position as at 31 December 2014 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

1 April 2015



Claire Louise Hanratty  
Managing Director

1 April 2015

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

1 April 2015

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 Board 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 2014, 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; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzu  
Partner  
Chartered Accountants

## 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 2014, 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 of the Foundation as set out on pages 12 to 30.

### *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 and the *Australian Charities and Not-for-profits Commission Act 2012* (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 has been prepared in accordance with Division 60 the ACNC Act, including:

- (a) giving a true and fair view of the Foundation's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the 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, 1 April 2015