

# **Great Barrier Reef Foundation**

ABN 82 090 616 443

## **Financial report for the year ended 30 June 2022**

# Great Barrier Reef Foundation

ABN 82 090 616 443

## Financial report - 30 June 2022

Directors' report	1
Auditor's independence declaration	13
Corporate governance statement	14
Financial statements	16
Independent auditor's report to the members	40

## Great Barrier Reef Foundation Annual report for the year ended 30 June 2022

### Directors' report

Over the last 12 months on the Great Barrier Reef, despite so many challenges in the places we work and across our teams and partners, we have witnessed an unprecedented elevation and escalation of the activity to protect one of the most valuable and vulnerable parts of Australia.

These activities are diverse – ranging from the world's most ambitious coral restoration effort, to protecting corals from destructive crown-of-thorns starfish, from filling critical knowledge gaps around vulnerable marine species to improving the water that runs into the Reef. Each activity is a vital building block in our shared desire to securing a better future for the world's coral reefs.

With the *Reef Trust Partnership* and our other signature programs – *Reef Islands* and *Resilient Reefs* – all hitting full stride, it is a remarkable moment in time to reflect how far we have come since the devastating back-to-back bleaching events in 2016 and 2017. In the last five years, we have seen a material uplift in on-ground activity, we have seen stronger and deeper collaborations, and we have seen new investors and partners join the mission. The *Year in Review* report, which accompanies this Annual Financial Report, profiles this remarkable work and its outcomes in greater detail.

The Great Barrier Reef Foundation is proud to play its part as a developer of this collective effort. As an independent not-for-profit, we have embraced our unique role as a convenor, funder and innovator. No single actor can solve the multiple and complex challenges facing our Reef.

Genuine, enduring improvement requires exceptional collaboration and partnership. We're encouraged to see and be part of this collaborative momentum with shared purpose and drive for the Great Barrier Reef.

This effort involves multiple contributors. These include the many tourism operators, Traditional Owners and local communities joining forces with marine scientists to restore coral reefs using 'coral IVF' techniques on a larger scale. It includes the 75 multi-disciplinary experts from 11 institutions working collaboratively across 24 projects to develop innovative solutions to protect corals from crown-of-thorns starfish (COTS). It includes the farmers partnering with scientists and engineers to improve the health of water flowing to the Great Barrier Reef. And it includes the multinational infrastructure firm supporting reef custodians and communities in Palau, Belize and New Caledonia to adapt their resilience strategies to survive and thrive in the everchanging global landscape.

The *Long-Term Monitoring Program Annual Summary Report of Coral Reef Condition*, released recently by the Australian Institute of Marine Science, showed record levels of coral cover across the majority of 87 reefs on the Great Barrier Reef, which demonstrates the impact of these efforts. By focusing on practical resilience and restoration action we can help this ecosystem recover.

But to be clear, signs of recovery in a system of this magnitude do not signal the need to slow down or that our work is done. Climate change is continuing, and water temps are rising – the momentum in the climate system means these will continue over the decades ahead. Our work to accelerate adaptation and increase resilience remains vital to protecting Reef health and biodiversity. The next eight years are critical – to how we scale this work so it can deliver meaningful impact. To succeed on a large scale, we need a new level of partnerships with industry, in investment and in local capability for the Great Barrier Reef. This is where the Foundation will focus its energies. In parallel we need to consider how Australia shares our knowledge and skills with our Pacific neighbours and how our acceleration of impact can be translated to other reefs around the world.

Over the last 12 months, the Board and management have undertaken a strategic planning process. Our newly developed 2030 Strategy maps our path to deliver the greatest impact for coral reefs in Australia

and internationally. It reflects our unique capabilities and understanding of the key gaps in reef conservation that must be addressed and sets new ambitions for partnering, advocacy and investment. We look forward to implementing this new strategy from 2022-23.

This past year, perhaps more than previous years, we have also observed positive movement on the global stage towards greater accountability and action around climate. From COP26 – the United Nations' global climate summit – in Glasgow to the recent UN Oceans Conference in Lisbon, it is clear that the mood is shifting, as it must, because time is running out. The Sustainable Development Goal (SDG) 14 (Life Below Water) remains the second lowest funded of all the SDGs, yet our oceans are critical to sustaining our way of life. In our engagement with the corporate sector and philanthropists, we are delighted to see a renewed interest in ocean conservation and for coral restoration to be a top priority.

A decade ago, there was a significant push to drive reforestation. This decade, it is time to focus on our underwater 'forests' – to restore what has been lost and to help these ecosystems adapt to climate change. Parallel to these restoration activities, the Foundation continues to work with a wide group of advisors to consider and pilot financial markets and instruments that will enable the required work.

Against the continued backdrop of the global pandemic, the Foundation was able to deliver strong operational results. This is due in no small part to our generous and talented volunteer Board and network of committee members.

The Foundation's commitment to Environmental, Social and Governance responsibilities is supported through a Sustainability Plan. This plan identifies how we will meaningfully contribute to the United Nations Sustainability Development Goals (SDGs) across operations, people, partners and community.

In the last year, the Foundation strengthened its commitment to the SDGs through a number of new initiatives including the development of a Diversity and Inclusion Policy and Plan, the inclusion of sustainability and social assessment criteria in procurement, and by maintaining our Climate Active Certification. In our project portfolio, the Foundation launched a Blue Carbon Program in partnership with Coles that will help protect natural carbon reserves across the length of the Reef in the coming decade.

A key highlight in this area has been the launch of the Foundation's Reconciliation Action Plan. This was a proud moment to dedicate our commitments and our ambitions to work in partnership with First Nations People. In developing this plan, many staff spoke of the profound personal impact they experienced in working with Traditional Owners. Partnering to deliver this important work is a genuine honour.

In February, the Foundation farewelled its long-serving Chair Dr John Schubert AO. John was appointed to the role in 2004 and under his leadership steered the Foundation to its current position as the lead charity for the Reef. John's contribution to the Reef and to Australia's reef research and conservation effort is truly unmatched. He was, and continues to be, a passionate and unwavering advocate for the Reef in boardrooms across the country, and has personally spearheaded game changing research into corals and the impacts of climate change. One cannot consider the strengths and impacts of the Foundation without recognising the tireless efforts and determination invested by John. We would be remiss when celebrating John were we to overlook his wonderful wife Prue – who has also been a tireless supporter of the Reef. The Foundation also gratefully acknowledges the significant contribution of Michael Cameron who retired from the Board after more than 12 years' service.

Following a national search, the Board announced David Thodey AO as the incoming Chair of the Foundation and Dr Martin Parkinson AC PSM as Deputy Chair. Both are well known throughout Australia for their deep expertise and connections in business, government, innovation and climate change. These Chairs have brought a fresh approach and an unwavering focus on making a difference and demonstrating Australia's leadership in coral reef protection. As they have remarked many times since taking on their roles – *we are here for the Reef*.

David and Martin, along with our Board and committee members, bring their extensive experience and skills to the collective protection effort and each makes a meaningful contribution to our work, our approach and our impact. The Foundation's dedicated team of staff continues to rise to each challenge, undeterred by disruption and fuelled with unparalleled passion and commitment, providing hope for the future of our reefs. In a recent stakeholder and partner survey many comments spoke of the professionalism and experience of the Foundation team.

Strong partners lie at the heart of the Foundation and our work on the Reef. Across over 330 projects, we now work with more than 420 partners. Among these, we acknowledge our longstanding strategic partners, the Great Barrier Reef Marine Park Authority, Australian Institute of Marine Science and CSIRO, as well as the Australian and Queensland Governments.

As a charity, many view our success through our ability to generate funds for the Reef. This is a role we take very seriously. Partnering with the business community has been fundamental to the Foundation's unique value proposition since our establishment 20 years ago. As at June 30 2022, partnerships with industry including cash and in-kind investments are valued at \$90M. In the last year, we welcomed a number of new corporate partners to the Reef. Partnerships with Coles, Snapchat, XXXX, Bain and Company, and Life-Space are not only underwriting important projects but also helping share the Reef's recovery story with the world. We would like to thank our ongoing corporate supporters or partners – Lendlease, BHP Foundation, BHP, AECOM, QIC, Qantas, Orica and Boeing – without whom we would neither be where we are today nor able to consider the scaling up of efforts required in the years ahead.

With international travel resuming, our team has strengthened connections with our global supporters, especially in the USA and Europe. As at 30 June 2022, the Foundation has leveraged an additional \$240m from delivery partners, the corporate sector and in private donations as part of its commitment to fulfil the ambitions of the Reef Trust Partnership. This result is testament to the efforts of our team and also to the global interest in helping our Reef through practical, science-based projects.

In spite of ongoing global challenges, the desire to step up and protect this magnificent icon is remarkable. The gains we have made together in the last year are on the right course to achieving our collective ambition for a resilient and adaptive Great Barrier Reef. This progress is only made possible because of the many institutions, individuals, communities and organisations who support our mission and are willing to be part of the solution. Thank you for being part of 2021-22.

It feels appropriate to include an excerpt from the Healing Country Statement by Great Barrier Reef Traditional Custodians which encapsulates the importance of this time and our collective efforts to help this amazing wonder.

*All Australians need to come together and show the Reef the respect she deserves.*

*To help her heal and to make us who we are all meant to be.*

*We call on our Saltwater brothers and sisters across the Pacific and throughout the world to join and support us.*

*We need everyone's feet and mouth pointing in the same direction and we need talk to be followed by action.*

*The time to save our future is now.*

*We need to stand up as one mob, one Country, one spirit, one voice.*

*And heal.*

*Excerpt from Healing Country Statement by Great Barrier Reef Traditional Custodians - July 2021*

**Principal activities**

The principal activity of the Foundation is to support the protection and enhancement of tropical reefs (particularly 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**

For the period 1 July 2021 to 30 June 2022, the Foundation had an Operating surplus of \$4,364,212 (30 June 2021: Operating surplus \$998,192). Of this Operating surplus, \$3,933,767 relates to funds received in the financial year restricted to specific Reef Programs to be delivered in future years.

As at 30 June 2022, \$7,628,374 (30 June 2021: \$3,869,449) of restricted reserves is considered tied funds for application towards project commitments.

Regarding funding for the Reef Trust Partnership (RTP), as at 30 June 2022, a balance of \$274,086,439 (as at 30 June 2021: \$357,789,868) is deferred revenue that is considered tied funds for application towards future RTP project commitments. Total deferred revenue including other projects as at 30 June 2022 is \$280,017,012 (as at 30 June 2021: \$365,848,885)

**Operations**

The total number of employees as at 30 June 2022 was 47.9 FTE (30 June 2021: 42.5 FTE). The work of employees is supplemented by the Foundation's network of supporters and partners, in particular pro bono partners and committee members.

*Pro bono partners*

The Foundation is fortunate to be supported by a group of pro bono partners and greatly appreciates the value and quality of service provided by these organisations.

The organisations that provided pro bono services in the year ended 30 June 2022, include:

- Google (Advertising)
- The Comms Team
- Microsoft (The Azure Grant)

For the year ended 30 June 2022, these organisations have collectively provided pro bono services valued at \$146,428 (30 June 2021: \$682,424).

Future in-kind contributions, being provided as part of the existing Reef Trust Partnership projects, will be reported at the completion of each project and therefore are not accounted for in this reporting period.

The principal project investments and funding beneficiaries for the year ended 30 June 2022 were:

<b>Projects / Programs</b>	<b>Project Investment (\$)</b>	<b>Project Delivery Partners</b>
Coral Atlas	100,000	The University of Queensland
Reef Islands Initiative	1,027,665	Australian Institute of Marine Science
		Central Queensland University
		Lady Elliot Island Eco Resort
		Reef Catchments Ltd
		University of Technology Sydney
		University of the Sunshine Coast
		Whitsunday Regional Council

Projects / Programs	Project Investment (\$)	Project Delivery Partners
Raine Island Recovery Project	235,000	Queensland Government Department of Environment and Science
		Biopixel Pty Ltd
Resilient Reefs Initiative	924,660	AECOM Australia Pty Ltd
		Belize Coastal Zone Management Authority and Institute TIN 16345
		Conservatoire d'espaces naturels Nouvelle-Calédonie (CEN)
		Koror State Government
		Myriam Marcon
		Palau International Coral Reef Center
		The Nature Conservancy
		United Nations Educational, Scientific, and Cultural Organization
Reef Trust Partnership – Water Quality Improvement	30,314,720	Agersens Pty Ltd
		Agro Group Pty Ltd
		Australian Seaweed Institute Pty Ltd
		BRIA Irrigators Ltd
		Cape York Water Partnership, Inc
		Catchment Solutions Pty Ltd
		Commonwealth Scientific and Industrial Research Organisation (CSIRO)
		Cultivate Farms Pty Ltd
		Farmacist Pty Ltd
		Fitzroy Basin Association Inc
		FNQ NRM Ltd t/a Terrain Natural Resource Management
		Gallagher eShepherd Pty Ltd
		Greening Australia Ltd
		Griffith University
		Herbert Cane Productivity Services Limited
		Herbert River District Cane Growers Organisation Limited
		Innisfail District Cane Growers Organisation Limited
		Intellidesign Pty Ltd
		James Cook University
		Jaragun Pty Ltd
Liquaforce Pty Ltd		
Local Government Association of Queensland		
Mackay Area Productivity Services Limited		
Mackay Canegrowers Limited		
Mary River Catchment Coordination Association Inc		
NCEconomics Pty Ltd		
NQ Dry Tropics Ltd		

Projects / Programs	Project Investment (\$)	Project Delivery Partners
		NQ NRM Alliance Ltd t/a Corporate Nature
		Queensland Farmers' Federation Ltd
		Queensland Government Department of Environment and Science
		Reef and Rainforest Research Centre Ltd (RRRC)
		Reef Catchments Ltd
		South Cape York Catchments Inc
		Sugar Research Australia Ltd
		The Nature Conservancy Limited as the Trustee for the Nature Conservancy Australia Trust
		The Trustee for SOUTH ENDEAVOUR TRUST
		Tree Crop Technologies Pty Ltd (T/A Verterra)
		Verterra Ecological Engineering Pty Ltd (T/A Verterra)
Yuku-Baja-Muliku Landowner & Reserves Ltd		
Reef Trust Partnership – Crown-of-Thorns Starfish Control	10,190,052	Australian Institute of Marine Science
		Commonwealth Scientific and Industrial Research Organisation (CSIRO)
		James Cook University
		Reef and Rainforest Research Centre Ltd (RRRC)
		The Commonwealth of Australia acting through the Great Barrier Reef Marine Park Authority
		The University of Queensland
		University of Sydney
Reef Trust Partnership – Reef Restoration and Adaptation Science	25,012,659	Australian Institute of Marine Science
		Commonwealth Scientific and Industrial Research Organisation (CSIRO)
		TBWA Melbourne Pty Ltd
Reef Trust Partnership – Community Reef Protection	1,077,530	Australian Trust for Conservation Volunteers
		Bowen Tourism and Business
		Bundaberg Fruit & Vegetable Growers Cooperative Limited
		Burnett Catchment Care Association
		Burnett Mary Regional Group for Natural Resource Management Ltd
		Cairns and Far North Environment Centre Inc.
		Cape York Natural Resource Management Ltd
		Capricornia Catchments Inc
		Commonwealth Scientific and Industrial Research Organisation (CSIRO)
		Douglas Shire Council
		Earthwatch Institute
		Fitzroy Basin Association Inc
		Gidarjil Development Corporation Ltd
Great Barrier Reef Research Expeditions Inc t/a Great Barrier Reef Legacy		



Projects / Programs	Project Investment (\$)	Project Delivery Partners
		J.W UDY & N.S. UDY trading as Science under Sail
		Johnstone River Catchment Management Association Inc
		Keppel Coast Arts Council Incorporated
		Lower Burdekin Landcare Association Inc
		Magnetic Island Community Development Association Inc
		Magnetic Island Nature Care Association
		Marine Discoveries Pty Ltd ATF Phillips Family Trust
		NQ Dry Tropics Ltd
		OzFish Unlimited
		Port of Townsville Limited
		Queensland University of Technology
		Reef Catchments Ltd
		Reef Check Foundation Limited
		Reef Ecologic Pty Ltd
		Reef Magic Cruises Pty Ltd
		Sarina Landcare Catchment Management Association Inc.
		Sharks and Rays Australia Research Ltd
		South Cape York Catchments Inc
		The Trustee for The O'Reilly Property Trust
		The University of Queensland
		Townsville City Council
		Turtle Care Volunteers Queensland Inc
	University of Technology Sydney	
	Wavelength Reef Cruises	
	Whitsunday Catchment Landcare Inc	
	Whitsunday Regional Council	
Reef Trust Partnership – Traditional Owner Reef Protection	4,224,718	Balkanu Cape York Development Corporation Pty Ltd Binthi Land Holding Group Aboriginal Corporation Cape York Natural Resource Management Ltd Chantal Althea Roelofs Dabu Jajikal Aboriginal Corporation Darumbal Enterprises Pty Ltd Dawul Wuru Aboriginal Corporation Environmental Systems Solutions Fitzroy Basin Association Inc FNQ NRM Ltd t/a Terrain Natural Resource Management Gidarjil Development Corporation Ltd Girringun Aboriginal Corporation Gulngay Kinjufile Aboriginal Corporation Ipima Ikaya Aboriginal Corporation RNTBC

Projects / Programs	Project Investment (\$)	Project Delivery Partners
		Jabalbina Yalanji Aboriginal Corporation RNTBC
		Jaragun Pty Ltd
		Juru Enterprises Ltd
		Magnetic Island Community Development Association Inc
		Mandubarra Aboriginal Land and Sea Inc.
		Mungalla Aboriginal Corporation for Business
		Nick Pty Ltd t/a Nick Did this
		North Australian Indigenous Land and Sea Management Alliance Ltd
		Radiant Life Education Ltd
		Reef and Rainforest Research Centre Ltd (RRRC)
		Rinyirru (Lakefield) Aboriginal Corporation
		South Cape York Catchments Inc
		Tunuba Pty Ltd
		Wanyurr-Majay Aboriginal Corporation RNTBC
		Wuthathi Aboriginal Corporation RNTBC
		Yuku-Baja-Muliku Landowner & Reserves Ltd
		Yuwi Aboriginal Corporation RNTBC
Reef Trust Partnership – Integrated Monitoring and Reporting	6,864,380	Aurecon Australasia Pty Ltd
		Australian Institute of Marine Science
		Bureau of Meteorology
		Citizens of the Great Barrier Reef
		Commonwealth Scientific and Industrial Research Organisation (CSIRO)
		Macquarie University
		Queensland Government Department of Environment and Science
		Queensland University of Technology
		Southern Cross University
		The University of Queensland
		University of Tasmania
Other programs	346,448	Citizens of the Great Barrier Reef
		Girringun Aboriginal Corporation
		James Cook University
		Lizard Island Reef Research Foundation
		Queensland Government Department of Environment and Science
		Take 3 Ltd

## Benchmarking

### Administration and Fundraising costs

Our donors naturally expect that most of their donations will be directed to projects and activities that protect and restore the Reef. The Foundation has always strived to minimise its administration and fundraising overheads to ensure the greatest impact for our partners and for the Reef.

Accordingly, the Foundation regularly monitors two key metrics:

- a) **The Proportion of Project Expenditure:** For the year ended 30 June 2022, the Foundation's Proportion of Project Expenditure to total expenditure was 92.8% (30 June 2021: 88.9%) where a majority of project expenditure related to the Reef Trust Partnership Program delivery.
- b) **The Costs of Administration and Fundraising** as a percentage of total expenditure were 4.7% and 2.5% respectively (30 June 2021: 8.1% and 2.9% respectively).

#### Notes:

The majority of project expenditure relates to grants paid to project delivery partners funded through the Reef Trust Partnership, and the cost of administration and fundraising is the balance after project expenditures.

For the year ended 30 June 2022, the Foundation's administrative expenses related to the Reef Trust Partnership including its governance, systems and program oversight were \$6,843,000 (9.26% of the annual allocation based on a pro-rata allocation of the total allocation of \$44,330,300 for administrative activities over six years). Over the life of the Reef Trust Partnership to 30 June 2022, the Foundation has expended \$28,828,431 (65% of the 10% administration expenditure cap of \$44,330,300).

### Directors and meetings of directors (01/07/2021 – 30/06/2022)

Directors	Board start date	Board retired date	No. of meetings eligible to attend	No. of meetings attended
John Schubert AO (Chair) <i>BCEng (Hons 1), PhD (Chem Eng), FIEAust, CPEng, FTS, FIChemE</i>	04/11/2001	23/02/2022	3	3
David Thodey AO (Chair) <i>BA, Hon.DScTech, Hon.DBus,</i>	04/11/2021		2	2
Martin Parkinson AC PSM (Deputy Chair) <i>PhD, MA, MEc, BEc(Hons 1), FASSA, FIPAA</i>	04/11/2021		2	2
Anna Marsden (Managing Director) <i>BArts</i>	25/03/2016		4	4
Michael Cameron <i>BBus, FCPA, FCA, FAICD</i>	09/06/2010	23/02/2022	3	2
Stephen Fitzgerald AO <i>BEcon</i>	25/11/2010		4	4
Paul Greenfield AO <i>BEcon QLD, BE (Hons) NSW, PhD NSW, FIE Aust, FTSE, FIChemEng, MAIChe</i>	21/12/2007		4	4
John Gunn <i>BSc(Hons 1), FTSE</i>	07/03/2018		4	4
Cindy Hook <i>BAcc, CPA</i>	09/05/2018		4	4
Grant King <i>BEng, MMA, FAICD</i>	28/11/2017		4	3
Russell Reichelt <i>BSc PhD, FAICD, FTSE</i>	31/08/2004		4	4
Steven Sargent <i>BBus, FAATSE</i>	18/02/2015		4	2
Phillip Strachan <i>BCom, FCPA, MAICD</i>	23/12/2003		4	4
Olivia Wirth <i>BComm</i>	30/01/2018		4	2
Chris Locke ( <i>Commonwealth Observer</i> )	13/08/2021		4	2
Simon Banks ( <i>Commonwealth Observer</i> )	-	-	1	1
Josh Thomas ( <i>GBRMPA Observer</i> )	03/10/2019		4	2

\* Simon Banks attended as Commonwealth Observer proxy for Chris Locke at one meeting

The Foundation has established committees which meet and advise the Board on a range of key issues.

Audit, Risk and Compliance Committee		No. of meetings eligible to attend	No. of meetings attended
Phillip Strachan	Chair	4	4
Ruth Coulson	Member	4	3
Tendai Mkwanzani	Member	4	2
Helen Moore	Member	4	4
Anthony Rose	Member	4	2
Erin Strang	Member	4	2

International Scientific Advisory Committee		No. of meetings eligible to attend	No. of meetings attended
Paul Greenfield AO	Chair	1	1
Anna Marsden	Managing Director	1	1
Chris Cocklin	Member	1	1
Bronwyn Harch	Member	1	0
Paul Hardisty	Member	1	1
David Wachenfeld	Member	1	0
Alistair Hobday	Member	1	1
Ove Hoegh-Guldberg	Member	1	1
Hugh Possingham	Member	1	1
Christopher Barner-Kowollik	Member	1	0
Michael McArdle *	Proxy	1	1

\* Michael McArdle attended as proxy for Christopher Barner-Kowollik

Investment Committee		No. of meetings eligible to attend	No. of meetings attended
Stephen Fitzgerald AO	Chair	1	1
Anna Marsden	Managing Director	1	1
Gary Brader	Member	1	1
Anthony Rose	Member	1	1
Andrew Spence	Member	1	1

Partnership Management Committee		No. of meetings eligible to attend	No. of meetings attended
John Gunn	Chair	4	4
Geoff Garrett AO	Member	4	3
Paul Greenfield AO	Member	4	3
Larissa Hale	Member	4	4
Ove Hoegh-Guldberg	Member	4	3
Jessica Hoey	Member	4	4
Wendy Morris	Member	4	3
Elisa Nichols	Member	4	4
Craig Rosner-Moore (until 8 February 2022)	Member	3	3
Rebecca Gee (from 5 May 2022)	Member	1	1
Theresa Fyffe	Employee	4	4

Resilient Reefs Project Board		No. of meetings eligible to attend	No. of meetings attended
Phillip Strachan	Chair	4	3
Steve Box	Member	4	3
Samuel Carter	Member	4	2
Rili Djohani (resigned 14 February 2022)	Member	2	0
Caleb McClennen	Member	4	2
Amanda McCluskey	Member	4	3
Peter Mumby	Member	4	2
Theresa Fyffe	Employee	4	4

### **Nominations Committee**

The Nominations Committee meets on an ad hoc basis to assist in identifying candidates for the Board, committees, and Managing Director roles. The Nominations Committee appointed a working group to undertake a search and appointment of a new Chair and Deputy Chair.

### **Dividends**

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

### **Insurance of officers**

During the year ended 30 June 2022, the Foundation paid a premium of \$25,811 (2021: \$22,461) inclusive of stamp duty, broker's fee and GST, to insure the directors, secretary, senior officers and committee members of the Foundation.

### **Proceedings on behalf of the Foundation**

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

### **Indemnification of officers, committee members and auditor**

Under section 65 of the Foundation's constitution, the Foundation indemnifies each person who is or has been a director, secretary, officer or committee member 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, secretary, officer or committee member of the Foundation and extends to the payment of legal costs described therein.

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under subdivision 60 C of the *Australia Charities and Not-for-profits Commission Act* is set out on page 13.

### **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.

### 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 30 June 2022, the number of members was 173 (30 June 2021: 150).

### State Government fundraising legislative 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 licences:

- Queensland, the principal place of its operations: *Collections Act 1966, Certificate of Sanction Number: CP5118*
- New South Wales: *Charitable Fundraising Act 1991, Charitable fundraising number: CFN/24247*
- Tasmania: *section 6 of Collections for Charities Act 2001: C/10381*
- Victoria: *The Fundraising Act 1998: Registration number: 14114*
- Western Australia: *Charitable Collections Act 1946: Licence No: CC 22070*

### Key Australian Government legislative and regulatory requirements

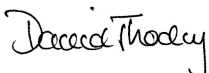
The *Australian Charities and Not-for-profits Commission Act* sets out laws dealing with registration of a business entity as a charity. From 1 January 2014, the Foundation (in its capacity as a large registered charity with an annual revenue >\$1m) must submit an annual information statement, a financial statement and an audit report (auditing the Financial Statements) to the Australian Charities and Not-for-profits Commission.

Environmental organisations, including the Foundation, are required to comply with the requirements of the Australian Government Department of Climate Change, Energy, the Environment and Water (established 1 July 2022, formerly Department of Agriculture, Water and the Environment) and the Australian Taxation Office in order to remain on the Register of Environmental Organisations (REO). This register lists environmental organisations, including 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*.

### Events subsequent to balance date

There are no known matters or circumstances that have arisen since the end of the financial year, which significantly affected or may significantly affect the Foundation's operations, the results of those operations or the state of affair of the Foundation in subsequent financial years.

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



David Thodey AO  
Chair

Date 3 November 2022



Anna Marsden  
Managing Director

Date 3 November 2022



**Building a better  
working world**

Ernst & Young  
111 Eagle Street  
Brisbane QLD 4000 Australia  
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333  
Fax: +61 7 3011 3100  
ey.com/au

## **Auditor's Independence Declaration to the Directors of Great Barrier Reef Foundation**

In relation to our audit of the financial report of Great Barrier Reef Foundation for the financial year ended 30 June 2022, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct.

This declaration is in respect of the Great Barrier Reef Foundation during the financial year.

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink that reads "Brad Tozer".

Brad Tozer  
Partner  
3 November 2022

## Corporate governance statement

The 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 (the Board). 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: 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.

All members of the Board are appointed through the constitution and are themselves members of the company. Non-executive directors 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 to discharge their duties where necessary. There are conflict of interest provisions in the constitution and in company law, applicable to the directors, together with an internal policy.

The Foundation's constitution governs the regulations of meetings and proceedings of the Board, 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 major research projects;
- Prepare and approve policy statements;
- Review and monitor the performance of management; and
- 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 reviewing annual budgets and long-term projections;
- Provides strategic financial advice and support to management;
- Reviews the compliance framework;
- Reviews the risk management register and strategies;
- Provides oversight of internal controls; and
- Advises the Board on financial matters including the formation of policies and guidelines related to financial management, and the monitoring of financial performance.

The Investment Committee assists the Board in implementing and managing the Foundation's investment strategy, investment risk management and investment exposure.

The Nominations Committee provides advice to the Board on potential candidates that fill the requirements of key positions on the Board, committees and the Managing Director role.

The International Scientific Advisory Committee is appointed to assist the Board in establishing the research vision for the Foundation, outlining and focusing the Foundation's research investment



priorities and opportunities, and to provide strategic guidance for the Board in respect of the current and possible project portfolios in which the Foundation should invest.

The Resilient Reefs Project Board assists the Board in identifying and managing the progress, budget, investment priorities, opportunities, risk and reputational aspects of the Resilient Reefs Project, including ensuring that the appropriation of funds is in accordance with the terms of the grant agreement.

The Partnership Management Committee assists the Board in identifying and managing the progress, budget, investment priorities, opportunities, risk and reputational aspects of the Reef Trust Partnership portfolio, including ensuring that the appropriation of funds is in accordance with the terms of the grant agreement.

The Public Fund Committee is appointed by the Board to approve the release of contributions to the public fund of the Foundation, in fulfilment of the requirements of the Australian Taxation Office.

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

The process of evaluation of the Managing Director is ongoing, and a session on key performance indicators is held with the Chair 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 appropriate benchmarking and 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 are available online at [www.barrierreef.org](http://www.barrierreef.org).

# Great Barrier Reef Foundation

ABN 82 090 616 443

## Financial report - 30 June 2022

### Contents

	Page
Financial statements	
Statement of profit or loss and other comprehensive income	17
Statement of financial position	18
Statement of changes in equity	19
Statement of cash flows	20
Notes to the financial statements	21
Directors' declaration	39
Independent auditor's report to the members	40

These financial statements are the financial statements of Great Barrier Reef Foundation as an individual entity.

The financial statements are presented in Australian dollars (\$).

Great Barrier Reef Foundation is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 11, 300 Ann Street,  
Brisbane, Queensland, 4000.

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

The financial statements were authorised for issue by the directors on \_\_\_\_ November 2022.

**Great Barrier Reef Foundation**  
**Statement of profit or loss and other comprehensive income**  
**for the year ended 30 June 2022**

	Notes	2022 \$	2021 \$
<b>Revenue</b>	2	<b>89,634,040</b>	65,210,039
<b>Other income</b>	3(a)	<b>6,510,526</b>	1,372,552
Other losses – net	3(b)	-	(1,406)
Project cost		<b>(82,488,161)</b>	(56,308,760)
Employee benefits expense		<b>(6,593,090)</b>	(6,059,827)
Engagement and communications expense		<b>(1,253,348)</b>	(1,658,112)
Occupancy and administration expense		<b>(809,137)</b>	(984,055)
Business development costs		<b>(217,360)</b>	(141,431)
Depreciation and amortisation expense		<b>(345,978)</b>	(344,643)
Finance expenses	3(c)	<b>(73,280)</b>	(86,165)
<b>Operating surplus before income tax</b>		<b>4,364,212</b>	998,192
Income tax expense		-	-
<b>Operating surplus for the year</b>		<b>4,364,212</b>	998,192
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>4,364,212</b>	998,192

*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 30 June 2022**

	Notes	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	110,753,058	106,105,056
Trade and other receivables	5	3,176,765	3,456,885
Other financial assets and term deposits	6	94,855,478	100,639,684
Other current assets	7	5,143,183	185,137
<b>Total current assets</b>		<u>213,928,484</u>	<u>210,386,762</u>
<b>Non-current assets</b>			
Term deposits	6	78,638,435	172,903,422
Property, plant and equipment	8	691,604	987,776
Intangible assets	9	73,506	114,902
<b>Total non-current assets</b>		<u>79,403,545</u>	<u>174,006,100</u>
<b>Total assets</b>		<u>293,332,029</u>	<u>384,392,862</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	2,404,788	11,838,636
Deferred revenue	11	149,022,351	126,630,152
Employee benefit obligations	12	363,238	310,670
Lease liabilities	13	321,277	290,204
<b>Total current liabilities</b>		<u>152,111,654</u>	<u>139,069,662</u>
<b>Non-current liabilities</b>			
Deferred revenue	11	130,994,661	239,218,733
Employee benefit obligations	12	90,186	14,329
Lease liabilities	13	491,501	810,323
<b>Total non-current liabilities</b>		<u>131,576,348</u>	<u>240,043,385</u>
<b>Total liabilities</b>		<u>283,688,002</u>	<u>379,113,047</u>
<b>Net assets</b>		<u>9,644,027</u>	<u>5,279,815</u>
<b>FUNDS</b>			
Restricted reserves	14(a), 15	7,628,374	3,869,449
Retained operating surplus	14(b)	2,015,653	1,410,366
<b>Total funds</b>		<u>9,644,027</u>	<u>5,279,815</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 30 June 2022**

	Notes	Restricted reserves \$	Retained operating surplus \$	Total equity \$
<b>Balance at 1 July 2020</b>		2,877,104	1,404,519	4,281,623
Surplus for the year		-	998,192	998,192
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	<b>998,192</b>	<b>998,192</b>
Transfer to/(from) retained opening surplus to/(from) restricted reserves	14	992,345	(992,345)	-
<b>Balance at 30 June 2021</b>		<b>3,869,449</b>	<b>1,410,366</b>	<b>5,279,815</b>
<b>Balance at 1 July 2021</b>		3,869,449	1,410,366	5,279,815
Surplus for the year		-	4,364,212	4,364,212
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	<b>4,364,212</b>	<b>4,364,212</b>
Transfer to/(from) retained opening surplus to/(from) restricted reserves	14	3,758,925	(3,758,925)	-
<b>Balance at 30 June 2022</b>		<b>7,628,374</b>	<b>2,015,653</b>	<b>9,644,027</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 30 June 2022**

	2022	2021
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Grants and donations received (inclusive of GST)	2,954,623	6,943,461
Payments to tax authority, suppliers and researchers (inclusive of GST)	(98,576,588)	(51,040,956)
Employment costs	(6,464,665)	(6,127,989)
<b>Net cash (outflow) from operating activities</b>	<u>(102,086,630)</u>	<u>(50,225,484)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment (exclusive of GST)	(8,410)	(7,098)
Transfer from term deposits	99,898,843	7,801,145
Transfer from term deposits held as bank guarantees	150,350	14,527
Interest received on financial assets held as investments	7,035,033	7,177,781
<b>Net cash inflow from investing activities</b>	<u>107,075,816</u>	<u>14,986,355</u>
<b>Cash flows from financing activities</b>		
Lease payments	(341,184)	(330,623)
<b>Net cash (outflow) from financing activities</b>	<u>(341,184)</u>	<u>(330,623)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		
	4,648,002	(35,569,752)
Cash and cash equivalents at the beginning of the financial year	106,105,056	141,674,808
<b>Cash and cash equivalents at end of year</b>	4 <u>110,753,058</u>	<u>106,105,056</u>

*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 (the 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-profits 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 - Simplified Disclosure Requirements

The financial statements of the Foundation comply with Australian Accounting Standards - Simplified Disclosures 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 Foundation

The Foundation has applied the following standards and amendments for the first time in the annual reporting period commencing 1 July 2021:

- AASB 2020-4 *Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions [AASB 16]*
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2 [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139]*
- AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- AASB 2020-2 *Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Foundation. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### (v) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

#### (vi) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise 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 from contracts with customers is recognised by reference to each distinct performance obligation in the contract with the customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Foundation expects to be entitled in exchange for transferring promised goods or service to a customer, net of goods and service tax, returns, rebates and discounts. A transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Deferred revenue and deferred interest are classified as follows:

- Current: Reef Trust Partnership (RTP) project deliverables within 12 months based on the published 2022-2023 Reef Trust Partnership Annual Work Plan and other GBRF project commitments; and
- Non-current: remaining Reef Trust Partnership project deliverables beyond 12 months.

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

#### *(i) Interest*

Interest earned on term deposits that is restricted in accordance with grant agreements is deferred until the interest entitlement has been earned and recognised thereafter as the performance obligations of the contract are fulfilled. If there is no restriction on how the interest is spent, interest is recognised on an accruals basis when the interest entitlement is 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*

Corporate grant revenue is recognised in profit or loss over time when the performance obligations of the contract are fulfilled.

#### *(iv) Government grants*

Government grant revenue is recognised in profit or loss over time when the performance obligations of the contract are fulfilled.

#### *(v) Matched funding agreements*

Grants received from matched funding agreements, where control of the grant requires the Foundation to obtain co-funding, are recognised as revenue to the extent that the corresponding co-funding amounts have been secured.

Where the co-funding has not been secured, the recognition of the grant revenue is deferred until the co-funding has been secured and the Foundation has met the performance obligations of the agreement.

#### *(vi) Royalties*

Revenue from royalties is recognised when the royalty is earned.

#### *(vii) In-kind 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.



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

### **(d) Leases**

Contracts may contain both lease and non-lease components. The Foundation allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Foundation is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Foundation under residual value guarantees;
- the exercise price of a purchase option if the Foundation is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Foundation exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Foundation, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Foundation:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, for example, term and security.

The Foundation is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

### **(d) Leases (continued)**

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Foundation is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the shorter of the asset's useful life and the extended lease term.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### *Extension and termination options*

Extension and termination options are included in a number of property and equipment leases across the Foundation. These are used to maximise operational flexibility in terms of managing the assets used in the Foundation's operations. The majority of extension and termination options held are exercisable only by the Foundation and not by the respective lessor.

### **(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 non-financial 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).

### **(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 and 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.

### **(h) Term deposits**

Term deposits are deposits held with financial institutions with original maturities of three months or more. These amounts are reserved and their use is restricted for specific research projects and both the project and administration component of the Reef Trust Partnership.

Term deposits have been categorised as follows:

- Cash and cash equivalents for term deposits with maturity less than 3 months;
- Current assets for term deposits with maturity between 3 and 12 months; and
- Non-current assets for term deposits with maturity greater than 12 months.

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

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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Foundation holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of trade and other receivables, their carrying amount is considered to be the same as their fair value. The Foundation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

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

Property, plant and equipment is stated at historical cost less depreciation. The accounting policy for right-of-use assets is detailed in note 1(d).

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 year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives 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 year.

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 the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

### **(k) 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.

#### *(ii) Software*

Costs associated with maintaining software programmes are recognised as an expense as incurred. Purchased software and development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Foundation are recognised as intangible assets. Amortisation is calculated using the straight-line method to allocate the cost over the estimated useful life of 5 years.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

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

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

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the 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.

### **(m) 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 year. 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.

### **(n) 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 the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

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

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the Foundation 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 financial report.

#### *(iv) Post-employment obligations*

The Foundation pays contributions to publicly or privately administered defined contribution superannuation plans on a mandatory, contractual or voluntary basis. The Foundation has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **(o) Goods and Services Tax**

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, with the GST component of cash flows arising from investing activities which are recoverable from, or payable to, the ATO classified as operating cash flows.

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

### **(p) Rounding of amounts**

The Foundation is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 2 Revenue

	2022	2021
	\$	\$
Project funds	5,066,426	2,788,490
Government grants	81,902,097	61,365,076
Donations	2,572,364	1,007,685
Membership fees	93,153	48,788
	<b>89,634,040</b>	<b>65,210,039</b>

For the year ended 30 June 2022, the Foundation derived revenue from contracts with partners from the delivery of project investments over time of \$83,984,540 (2021: \$63,552,780).

## 3 Other income and expense items

### (a) Other income

	2022	2021
	\$	\$
Government COVID-19 grants	-	663,500
Pro bono services	146,428	682,424
Interest income	6,345,942	21,520
Other revenue	18,156	5,108
	<b>6,510,526</b>	<b>1,372,552</b>

The Foundation has deferred interest entitlements from the Reef Trust Partnership Grant. These are contractually required to fund 49% of the Administrative Component. During the financial year ended 30 June 2022, the Foundation earned revenue from the deferred interest entitlement in accordance with the Agreement, this interest has been recognised as revenue in accordance with the standard.

### (b) Other gains/(losses) - net

	2022	2021
	\$	\$
Net loss on disposal of property, plant and equipment	-	(1,406)
	<b>-</b>	<b>(1,406)</b>

### (c) Finance expenses

	2022	2021
	\$	\$
Interest and finance charges paid/payable	17,390	14,589
Provisions: unwinding of discount	2,455	2,318
Interest on leases	53,435	69,258
<b>Finance expenses</b>	<b>73,280</b>	<b>86,165</b>

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

	2022	2021
	\$	\$
Public fund account (a)	1,271,401	4,615,332
Operating accounts	1,504,783	2,122,155
Project accounts (b)	70,941,888	65,841,346
Bank term deposits (c)	37,034,986	33,526,223
	<b>110,753,058</b>	<b>106,105,056</b>

##### (a) Public fund account

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;
- 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 Public Fund Committee.

##### (b) Project accounts

The project accounts are restricted for use of specific project income and expenditure. This includes monies received for and relating to project grants.

##### (c) Bank term deposits

The cash and cash equivalents disclosed above and in the statement of cash flows include \$37,034,986 (2021: \$33,526,223) of restricted cash. These amounts are reserved and their use restricted for specific research projects, and the project and administration component of the Reef Trust Partnership.

## 5 Current assets - Trade and other receivables

	2022	2021
	\$	\$
Grants, donations and royalties receivable	<b>1,286,521</b>	615,018
Goods and services tax (GST) receivable	<b>1,133,525</b>	1,789,875
Interest receivable	<b>754,826</b>	1,044,459
Other receivables	<b>1,893</b>	7,533
	<b><u>3,176,765</u></b>	<u>3,456,885</u>

The Foundation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables. To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

On that basis, the loss allowance as at 30 June 2022 was determined as follows for receivables:

30 June 2022	Current	More than 30 days past due	More than 60 past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount – receivables	1,262,341	-	24,180	-	1,286,521
<b>Loss allowance</b>	-	-	-	-	-

30 June 2021	Current	More than 30 days past due	More than 60 past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount – receivables	575,658	-	-	39,360	615,018
<b>Loss allowance</b>	-	-	-	-	-

## 6 Other financial assets and term deposits

	2022			2021		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Term deposit held as security	<b>225,478</b>	-	<b>225,478</b>	375,828	-	375,828
Term deposits - with maturity between 3 and 12 months	<b>94,630,000</b>	-	<b>94,630,000</b>	100,263,856	-	100,263,856
Term deposits - with maturity greater than 12 months	-	<b>78,638,435</b>	<b>78,638,435</b>	-	172,903,422	172,903,422
	<b><u>94,855,478</u></b>	<b><u>78,638,435</u></b>	<b><u>173,493,913</u></b>	<u>100,639,684</u>	<u>172,903,422</u>	<u>273,543,106</u>

<b>Credit rating (S&amp;P long term)</b>			
Total value of term deposits	<b>BBB+</b>	<b>AA-</b>	<b>Total</b>
	2,400,000	170,868,435	173,268,435
<b>Term deposit composition</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Variable interest rate deposits	-	-	-
Fixed interest rate deposits	94,630,000	78,638,435	173,268,435



## 7 Other current assets

	2022	2021
	\$	\$
Deposits paid	4,749,132	20,000
Prepayments	394,051	165,137
	5,143,183	185,137

Deposits paid during the current financial year of \$4,749,132 include a deposit payment to Australian Institute of Marine Science (AIMS) as the managing entity of Reef Restoration and Adaption Program.

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

	Plant and equipment	Artwork	Right-of-use assets	Total
	\$	\$	\$	\$
<b>At 1 July 2020</b>				
Cost	62,946	9,172	1,668,586	1,740,704
Accumulated depreciation	(27,664)	(2,921)	(424,808)	(455,393)
Net book amount	35,282	6,251	1,243,778	1,285,311
<b>Year ended 30 June 2021</b>				
Opening net book amount	35,282	6,251	1,243,778	1,285,311
Additions	7,098	-	-	7,098
Disposals	(1,406)	-	-	(1,406)
Depreciation charge	(9,949)	(625)	(292,653)	(303,227)
Closing net book amount	31,025	5,626	951,125	987,776
<b>At 30 June 2021</b>				
Cost	65,186	9,172	1,668,605	1,742,963
Accumulated depreciation	(34,161)	(3,546)	(717,480)	(755,187)
Net book amount	31,025	5,626	951,125	987,776
<b>Year ended 30 June 2022</b>				
Opening net book amount	31,025	5,626	951,125	987,776
Additions	8,410	-	-	8,410
Depreciation charge	(11,367)	(562)	(292,653)	(304,582)
Closing net book amount	28,068	5,064	658,472	691,604
<b>At 30 June 2022</b>				
Cost	73,596	9,172	1,668,605	1,751,373
Accumulated depreciation	(45,528)	(4,108)	(1,010,133)	(1,059,769)
Net book amount	28,068	5,064	658,472	691,604

### (a) Right-of-use assets

The right-of-use assets relate entirely to property leases.

## 9 Non-current assets - Intangible assets

	Trademarks at cost \$	Software \$	Total \$
<b>At 1 July 2020</b>			
Cost	33,906	200,000	233,906
Accumulation amortisation	(27,588)	(50,000)	(77,588)
Net book amount	<u>6,318</u>	<u>150,000</u>	<u>156,318</u>
<b>Year ended 30 June 2021</b>			
Opening net book amount	6,318	150,000	156,318
Amortisation charge	(1,416)	(40,000)	(41,416)
Closing net book amount	<u>4,902</u>	<u>110,000</u>	<u>114,902</u>
<b>At 30 June 2021</b>			
Cost	33,906	200,000	233,906
Accumulation amortisation	(29,004)	(90,000)	(119,004)
Net book amount	<u>4,902</u>	<u>110,000</u>	<u>114,902</u>
<b>Year ended 30 June 2022</b>			
Opening net book amount	4,902	110,000	114,902
Amortisation charge	(1,396)	(40,000)	(41,396)
Closing net book amount	<u>3,506</u>	<u>70,000</u>	<u>73,506</u>
<b>At 30 June 2022</b>			
Cost	33,906	200,000	233,906
Accumulated amortisation	(30,400)	(130,000)	(160,400)
Net book amount	<u>3,506</u>	<u>70,000</u>	<u>73,506</u>

## 10 Current liabilities - Trade and other payables

	2022 \$	2021 \$
Accounts payable	<b>20,749</b>	617,615
Project accrued expenses	<b>2,384,039</b>	11,221,021
	<u><b>2,404,788</b></u>	<u>11,838,636</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.

## 11 Deferred revenue

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Deferred revenue	<b>149,022,351</b>	<b>130,994,661</b>	<b>280,017,012</b>	126,630,152	239,218,733	365,848,885

Current deferred revenue includes Reef Trust Partnership and other GBRF projects identified in the FY23 Board approved budget. Non-current deferred revenue relates to the remaining of Reef Trust Partnership funding to be delivered in subsequent years.

	2022	2021
	\$	\$
Reef Trust Partnership	<b>254,991,944</b>	335,494,835
Interest - Reef Trust Partnership	<b>19,094,494</b>	22,236,899
Reef Islands Initiative	<b>1,335,316</b>	1,734,522
Resilient Reefs Project	<b>4,299,666</b>	5,684,596
Raine Island Recovery Project	<b>89,338</b>	324,339
Interest - other projects	<b>67,662</b>	58,134
Other	<b>138,592</b>	315,560
	<b>280,017,012</b>	365,848,885

## 12 Employee benefit obligations

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Leave obligations	<b>363,238</b>	<b>90,186</b>	<b>453,424</b>	310,670	14,329	324,999

### Leave obligations

The leave obligations cover the Foundation's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 1(n).

## 13 Lease liabilities

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Lease liabilities	<b>321,277</b>	<b>491,501</b>	<b>812,778</b>	290,204	810,323	1,100,527

### 13 Lease liabilities (continued)

Future lease payments in relation to lease liabilities as at year end are as follows:

	2022	2021
	\$	\$
Within one year	357,168	343,639
Later than one year but not later than five years	464,929	822,097
Later than five years	-	-
	822,097	1,165,736

### 14 Funds

#### (a) Reserves

	2022	2021
	\$	\$
Restricted reserves	7,628,374	3,869,449

#### Movements:

##### *Restricted reserves*

Opening balance	3,869,449	2,877,104
Transfer to retained operating surplus (restricted expenses)	(3,297,250)	(2,755,930)
Transfer from retained operating surplus (restricted income)	7,056,175	3,748,275
Balance at 30 June	7,628,374	3,869,449

#### (b) Retained operating surplus

Movements in retained operating surplus were as follows:

	2022	2021
	\$	\$
Balance at 1 July	1,410,366	1,404,519
Net operating surplus for the year	4,364,212	998,192
Transfer from retained operating surplus (restricted income)	(7,056,175)	(3,748,275)
Transfer to retained operating surplus (restricted expenses)	3,297,250	2,755,930
Balance at 30 June	2,015,653	1,410,366

## 15 Restricted reserves

Funds received for projects generally consist of two components. The first component is to be directed in its entirety towards projects. The second component is a management fee that can be used by the Foundation to manage the project and meet operating and administrative costs. 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.

Funds from bequests, sponsorships and interest earned on project funds are also considered to be restricted.

The board and management consider the following assets to be restricted for application towards future research projects:

	2022	2021
	\$	\$
<i>Funds recognised as restricted reserves:</i>		
Bequest	<b>150,000</b>	150,000
Reef Islands Initiative	<b>2,438,668</b>	2,245,144
Other programs	<b>5,039,706</b>	1,474,305
	<b><u>7,628,374</u></b>	<b><u>3,869,449</u></b>

## 16 Contingent liabilities

The Foundation had bank guarantees at 30 June 2022 of \$675,478 (2021: \$675,828). The likelihood that these guarantees will be forfeited is remote.

## 17 Capital and other commitments

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

	2022	2021
	\$	\$
<b>Reef Trust Partnership projects commitments:</b>		
Within one year	92,398,667	68,286,259
Later than one year but not later than five years	54,041,593	56,127,055
	146,440,260	124,413,314
<b>Resilient Reefs projects commitments:</b>		
Within one year	174,768	820,159
Later than one year but not later than five years	241,683	57,170
	416,451	877,329
<b>Raine Island Recovery projects commitments:</b>		
Within one year	-	225,000
<b>Other projects commitments:</b>		
Within one year	85,699	182,399
	85,699	182,399

Contracts for revenue are committed and in place to cover the above listed commitments over the five year period. Contracts that can be terminated for convenience are not included in the amounts disclosed.

## 18 Related party transactions

### (a) Key management personnel

	2022	2021
	\$	\$
Key management personnel compensation	<b>970,006</b>	962,672

The Foundation Board is comprised of volunteers and one employee. Foundation committees are comprised of volunteers, employees and paid members.

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

#### *Directors of the 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:

	2022	2021
	\$	\$
<b>Amounts recognised as revenue</b>		
Grants and donations received	<b>113,185</b>	139,979

Great Barrier Reef Foundation USA, Inc. has previously been identified as a related party to the Great Barrier Reef Foundation with two out of three Great Barrier Reef Foundation USA, Inc. directors in common. During the current financial year, the Board of Great Barrier Reef Foundation USA, Inc. had a total of five directors one of whom is in common with the Great Barrier Reef Foundation. As a result Great Barrier Reef Foundation USA, Inc. is no longer identified as a related party.

## 19 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the entity:

### **Ernst & Young**

	2022	2021
	\$	\$
Audit of financial statements and other reporting requirements	<b>61,750</b>	67,400

## 20 Events occurring after the reporting period

No matters or circumstances have occurred subsequent to year end that have significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations or the state of affairs of the Foundation or economic entity in subsequent financial years.

## 21 Reef Trust Partnership

In accordance with Schedule 1 Section 2.2 of the Grant Agreement between the Reef Trust and Great Barrier Reef Foundation, the below summarised statement of profit or loss and other comprehensive income and statement of financial position have been prepared in respect of the Foundation's receipt and expenditure of the Reef Trust Partnership Grant and Other Contributions for each component for the year from 1 July 2021 to 30 June 2022.

### (a) Statement of profit or loss and other comprehensive income

	<b>1 Jul 2021 to 30 Jun 2022</b>	1 Jul 2020 to 30 Jun 2021
	\$	\$
<b>Revenue</b>	<b>86,826,322</b>	59,962,946
<b>Expenses</b>		
Component 1 - Administrative Activities	(6,843,001)	(6,738,697)
Component 2 - Water Quality Activities	(31,677,124)	(24,014,449)
Component 3 – Crown of Thorns Starfish Control Activities	(10,378,135)	(14,497,414)
Component 4 – Reef Restoration and Adaptation Science Activities	(25,522,114)	(10,439,165)
Component 5 – Indigenous and Community Reef Protection Activities	(5,605,471)	(2,427,718)
Component 6 – Integrated Monitoring and Reporting Activities	(6,800,477)	(1,845,503)
<b>Total expenses</b>	<b>(86,826,322)</b>	(59,962,946)
<b>Operating surplus for the year</b>	<b>-</b>	-

### (b) Statement of financial position

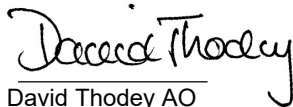
	<b>2022</b>	2021
	\$	\$
Current assets	<b>196,422,380</b>	196,614,096
Non-current assets	<b>79,056,528</b>	173,509,281
	<b>275,478,908</b>	370,123,377
Current liabilities	<b>(144,178,255)</b>	(130,399,315)
Non-current liabilities	<b>(131,300,653)</b>	(239,724,062)
	<b>(275,478,908)</b>	(370,123,377)
<b>Net assets</b>	<b>-</b>	-



In the directors' opinion:

- (a) the financial statements and notes set out on pages 16 to 38 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:
  - (i) complying with Accounting Standards - General Purpose Financial Statements - Simplified Disclosures, 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 30 June 2022 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 the directors.



David Thodey AO  
Chair

3 November 2022



Anna Catherine Marsden  
Managing Director

3 November 2022



**Building a better  
working world**

Ernst & Young  
111 Eagle Street  
Brisbane QLD 4000 Australia  
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333  
Fax: +61 7 3011 3100  
ey.com/au

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

### **Opinion**

We have audited the financial report of Great Barrier Reef Foundation (the Foundation), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Foundation is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Foundation's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

### **Basis for Opinion**

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

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

### **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors 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* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in dark blue ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in dark blue ink that reads 'Brad Tozer'.

Brad Tozer  
Partner  
Brisbane  
3 November 2022