

# **Great Barrier Reef Foundation**

ABN 82 090 616 443

## **Annual report for the year ended 31 December 2016**

**Great Barrier Reef Foundation** ABN 82 090 616 443  
**Annual report - 31 December 2016**

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**Great Barrier Reef Foundation**  
**Annual report for the year ended 31 December 2016**

**Director's report**

2016 will always be recognised as a moment of truth for the Great Barrier Reef and for coral reefs around the world. The bleaching event which took place in March and resulted in widespread coral loss, clearly shows the vulnerability of these marine treasures to a changing climate.

For the Great Barrier Reef Foundation, the bleaching event drove home to us the unique and privileged role we play in engaging people and business from around the world with the momentous task of protecting this global icon.

At the core of the Foundation's work, we bring hope to the Reef and we do that by raising money for projects with large scale impact.

In 2016 the Foundation distributed \$7,008,979 (2015: \$4,392,539) in funding for vital projects ranging from large scale restoration efforts such as the restoration of the world's largest green turtle nesting ground, to cutting edge calculations and visualisation of water currents and ocean chemistry through eReefs, all the way down to sequencing the DNA of microscopic, coral associated organisms.

The Foundation's largest research investment to date, the Australian Government-funded Resilient Reefs Successfully Adapting to Climate Change, commenced its fourth and final round of research projects in 2016. This program will conclude in 2017 through three large, integrated projects that bring together the outcomes of the four year program as a whole, the outcome of which will be a comprehensive set of tools to enable more effective management of the Reef in the face of a changing climate.

Looking ahead to 2017 and beyond, the Foundation through its International Science Advisory Committee has adopted a new research focus around Reef Recovery: Building the Reef's resilience through innovations in monitoring, protection and restoration. Already the Foundation has a number of signature projects in development along this research theme.

As a charity, our success is in our ability to raise money for the protection of the Great Barrier Reef. The Foundation is fortunate to have a family of Australian companies who provide significant investment in reef research. At the bedrock of our corporate supporters is our Chairman's Panel, a group of 55 corporate leaders who champion this cause and provide funding for key projects and our operations. In 2016, we were pleased to see a significant increase in donations from individuals. It is clear the Great Barrier Reef is a special place to people all over the world and we are determined that the donations trusted to us make a difference.

The Foundation continued to use its platform to engage the broader public with the story of the Great Barrier Reef and the many pathways to support it. In 2016, the number of media stories generated by the Foundation doubled in volume and in reach.

The Foundation performed above expectation in 2016 and this is due to the commitment and support of a number of people and institutions. At the heart of our success is a determined and talented team and supporting them is a remarkable and inspirational board of directors. We draw great strength and insight from working closely with institutions such as the Great Barrier Reef Marine Park Authority, Australian Institute of Marine Science, CSIRO, James Cook University, University of Queensland, QUT and the Queensland and Australian governments.

The funds we raise are directed to projects with large scale impact – that go to the heart of saving the Reef. We are grateful to everyone who supported the Great Barrier Reef Foundation in 2016.

### Principal activities

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

### Review of results and operations

The Foundation's operating deficit of \$1,823,689 this year (2015: operating surplus \$2,525,009) reflects the timing difference between the receipt of revenue tied to specific Reef research projects and when expenses are incurred on those projects in accordance with each project's milestones. In 2016, science investment expenses were \$2,626,010 higher than in 2015. Adequate reserves were available to fund the committed research expenditure.

Revenue of \$8,084,358 in 2016 was less (2015: \$9,668,004) due to the timing of payments and a change in the funding mix for the eReefs project. In 2015, eReefs was funded by corporate and government partners while in 2016 only government funders contributed to the project.

At year-end, \$3,963,249 (2015: \$5,717,651) is considered tied or restricted funds for application towards future research project commitments.

### Operations

The number of full time employees at reporting date was six (2015: six). The capacity of this small team is supplemented by the Foundation's network of supporters and partners, in particular its pro bono partners and International Science Advisory Committee.

#### *Pro bono partners*

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

The Australian firms and companies that provided pro bono services in 2016, include:

We do IT (IT Services)  
 Deloitte Touche Tohmatsu (Audit)  
 Allens Linklaters (Legal)  
 Big Fish Creative (IT Services, Creative)  
 Leo Burnett (Branding)  
 PwC Australia (Accounting)  
 Nick Did This (Creative Strategy)  
 KPMG (Company Secretarial and Compliance, Consulting)  
 Veracity (IT Support)  
 The Australia and New Zealand Banking Group (Consulting)  
 JSA Creative (Marketing)

In the last twelve months, these firms and businesses have collectively provided pro bono services valued at \$266,534 (2015: \$444,534).

#### *Project investments*

At 31 December 2016, the Foundation had research investment contracts, in aggregate, totalling \$20,606,774. In addition to this, the Foundation endeavours to leverage investments with co-contributions from the relevant research institutions and, as appropriate, cash from other parties.

During 2016 the principal beneficiaries of research funding by the Foundation were as follows:

<i>Institution</i>	<i>Expenditure (\$)</i>
Australian Genome Research Facility	13,300
Australian Institute of Marine Science	723,900
Australian National University	22,000
Bureau of Meteorology	1,475,000
Capricornia Catchments Inc	3,600
Cooperative Research Centre for Polymers Ltd	200,000
CSIRO	977,204
Department of National Parks, Sports and Racing	2,480,000
Department of Science, Information, Technology and Innovation	215,000
Griffith University	40,000

James Cook University	229,968
Mangrove Watch Ltd	6,149
Marine Conservation Finance Consulting	3,346
Moreton Bay Environmental Education Centre	1,500
Reef Check Foundation Ltd	10,800
Southern Cross University	76,989
Tangaroa Blue Foundation Ltd	12,750
University of Technology Sydney	2,000
University of New South Wales	99,719
University of Sydney	40,000
University of Queensland	373,273
Wildlife Preservation Society of QLD	2,481
<i>Total</i>	<i>\$7,008,979</i>

**Benchmarking:**

*Administration costs*

Our donors naturally expect that the majority of their donation will be used to protect the Great Barrier Reef, and not be directed to administration overheads. In keeping with industry best practice, the Foundation is committed to striving to limit administrative and fundraising expenses to 15%. In 2016 the percentage of total administration and fundraising expenses was 18.1% (2015: 21.4%).

**Directors and meetings of directors**

Directors	Board start date	Number of Meetings in the Reporting Period	Number of Meetings Attended
John Michael Schubert AO (Chairman) <i>BCEng (Hons 1), PhD (Chem Eng), FIEAust, CPEng, FTS, FICChemE</i>	11/04/2001	4	4
Michael Andrew Cameron <i>BBus, FCPA, FCA, FAICD</i>	09/09/2010	4	0
Maureen Ann Dougherty <i>BMEng, MEng, Fellow of the Royal Aeronautical Society</i>	04/11/2015	4	3
Stephen Charles Fitzgerald <i>BEcon</i>	25/11/2010	4	4
Paul Fawcett Greenfield AO <i>BEcon Qld, BE (Hons) NSW, PhD NSW, FIE Aust, FTSE, FICChemEng, MAIChe</i>	21/12/2007	4	4
Claire Louise Hanratty <i>BCA (First Class Hons), MBA (resigned 23/03/2016)</i>	30/11/2011	0	0
Anna Catherine Marsden <i>BArts</i>	25/01/2016	4	4
Amanda Therase McCluskey <i>BEcon (Hons)</i>	31/08/2009	4	3
Peter Edward Mason	25/03/2015	4	0
John Francis Mulcahy <i>BE (First Class Hons), PhD (Civil Eng)</i>	12/05/2006	4	3
Russell Evan Reichelt <i>BSc PhD, FAICD, FTSE</i>	31/08/2004	4	3
Stephen Hunter Roberts <i>BEC</i>	24/11/2015	4	4
Steven Andrew Sargent <i>BBus, Fellow with the Australian Academy of Technological Sciences and Engineering</i>	18/02/2015	4	3
Phillip David Strachan <i>BCom, FCPA</i>	23/12/2003	4	3
Keith Henry Tuffley <i>BEC, LL.M, Grad Dip Applied Fin and Invest</i>	22/11/2006	4	2

David John Turner <i>FCA</i>	28/07/2007	4	2
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The Foundation has established a number of committees who meet regularly and advise the board on a number of key issues.

<b>Audit, Risk and Compliance Committee</b>	Number of Meetings in the Reporting Period	Number of Meetings Attended
Phillip David Strachan (Chair)	4	4
Isaac Alexander Fletcher (resigned 03/11/2016)	3	3
Clayton Neil Herbert	4	3
Trevor Mahony (appointed 03/11/2016)	1	1
Anthony Peter Rose	4	4

<b>Portfolio Committee</b>	Number of Meetings in the Reporting Period	Number of Meetings Attended
John Francis Mulcahy (Chair)	1	1
Paul Fawcett Greenfield AO	1	1
Anna Catherine Marsden	1	1
Rachel Parry	1	0
Russell Evan Reichelt	1	1
John Michael Schubert AO	1	1

<b>Reef Bond Committee</b>	Number of Meetings in the Reporting Period	Number of Meetings Attended
David John Turner (Chair)	1	0
Stephen Charles Fitzgerald	1	1
Paul Fawcett Greenfield AO	1	1
Claire Louise Hanratty	1	1
Anna Catherine Marsden	1	1
Amanda Therase McCluskey	1	1
Phillip David Strachan	1	1
Keith Henry Tuffley	1	0

**Nominations Committee** – Nil meetings held in 2016

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

**Philanthropy Committee** – Nil meetings held in 2016

Stephen Hunter Roberts (Chair)  
 Stephen Charles Fitzgerald  
 Anna Catherine Marsden  
 Keith Henry Tuffley

**Company Secretary**

Kerri Suzanne Ryan (since 30/11/2011)

### **International Scientific Advisory Panel**

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

### **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 (2015: \$5,499) including stamp duty, a broker's fee and GST, to insure the directors, secretary, committee members and senior officers of the Foundation.

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

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

### **Indemnification of officers and auditor**

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

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

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

A copy of the auditor's independence declaration as required under subdivision 60 C of the *Australian Charities and Not-for profits Commission Act* is set out on page 7.

### **Environmental regulation**

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

### **Remuneration report**

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

### **Employee numbers**

The number of full time employees at reporting date was six (2015: six). Five part-time staff are employed in roles relating to science, marketing, communications and accounting.

### **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 2016, the number of members was 123 (2015: 122).

### 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 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*
- Melbourne: *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 report 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 the Environment and Energy 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

Through its International Science Advisory Committee, the Foundation has adopted a new research focus around Reef recovery: building the Reef's resilience through innovations in monitoring, protection and restoration. The Foundation has a number of signature research projects in development in line with this theme. With a large program of existing projects currently under management, significant effort is being, and will continue to be, dedicated to overseeing delivery of this work and enabling its adoption by reef managers and policy makers.

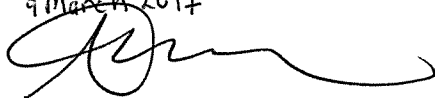
### Events subsequent to reporting day

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



John Michael Schubert  
Chairman

9 March 2017



Anna Catherine Marsden  
Managing Director

9 March 2017



The Board of Directors  
Great Barrier Reef Foundation  
Level 13, 300 Ann Street  
BRISBANE QLD 4000

9 March 2017

Dear Board Members

### Great Barrier Reef Foundation

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

As lead audit partner for the audit of the financial statements of Great Barrier Reef Foundation for the financial year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Tendai Mkwananzi  
Partner  
Chartered Accountants

## Corporate governance statement

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

The board's primary role is to ensure that the Foundation's activities are directed towards achieving its mission: the raising and provision of funding to support research contributing to the environmental protection, enhancement, preservation and conservation of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts.

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

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

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

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

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

- reviews the accounts and assists in development of annual budgets and long term projections;
- provides strategic financial advice and support to management;
- review of risk management register and strategies;
- 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 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 online at [www.barrierreef.org](http://www.barrierreef.org)

**Great Barrier Reef Foundation** ABN 82 090 616 443  
**Annual report - 31 December 2016**

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A description of the nature of the entity's operations and its principal activities is included in the review of operations and activities on page 2, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 9 March 2017. 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 2016

	Notes	2016 \$	2015 \$
<b>Revenue</b>	2	<b>8,084,358</b>	9,668,004
Science investments		(7,579,709)	(4,953,699)
Employee benefits expense		(1,373,894)	(1,178,621)
Engagement and communications expense	3	(381,413)	(356,906)
Occupancy and administration expense	3	(419,688)	(482,608)
Business development costs	3	(73,671)	(150,457)
Depreciation and amortisation expense		(18,094)	(15,552)
Loss on disposal of fixed assets		(57,954)	(18)
Finance costs		(3,623)	(5,134)
<b>Operating (deficit) surplus before income tax</b>		<b>(1,823,688)</b>	2,525,009
Income tax expense		-	-
<b>Operating (deficit) surplus for the year</b>		<b>(1,823,688)</b>	2,525,009
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(1,823,688)</b>	2,525,009
Operating (deficit) surplus for the year is attributable to:			
Members of Great Barrier Reef Foundation		<b>(1,823,688)</b>	2,525,009

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

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	4,422,101	2,926,513
Trade and other receivables	6	1,075,885	3,841,267
Financial assets	7	205,411	181,723
Other current assets	8	51,346	28,568
<b>Total current assets</b>		<b>5,754,743</b>	<b>6,978,071</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	43,737	76,311
Intangible assets	10	15,454	13,878
<b>Total non-current assets</b>		<b>59,191</b>	<b>90,189</b>
<b>Total assets</b>		<b>5,813,934</b>	<b>7,068,260</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	845,058	465,108
Provisions	12	76,935	128,129
Deferred revenue		235,400	-
<b>Total current liabilities</b>		<b>1,157,393</b>	<b>593,237</b>
<b>Non-current liabilities</b>			
Provisions	12	19,616	14,410
<b>Total non-current liabilities</b>		<b>19,616</b>	<b>14,410</b>
<b>Total liabilities</b>		<b>1,177,009</b>	<b>607,647</b>
<b>Net assets</b>		<b>4,636,925</b>	<b>6,460,613</b>
<b>FUNDS</b>			
Restricted reserves	13(a)	3,963,248	5,717,651
Retained operating surplus	13(b)	673,677	742,962
<b>Total funds</b>		<b>4,636,925</b>	<b>6,460,613</b>

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

	Notes	Restricted reserves \$	Retained operating surplus \$	Total equity \$
<b>Balance at 1 January 2015</b>		<u>3,337,095</u>	<u>598,509</u>	<u>3,935,604</u>
Surplus (deficit) for the year		-	2,525,009	2,525,009
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>2,525,009</u>	<u>2,525,009</u>
Transfer to (from) retained opening surplus to (from) restricted reserves	13	2,380,556	(2,380,556)	-
<b>Balance at 31 December 2015</b>		<u>5,717,651</u>	<u>742,962</u>	<u>6,460,613</u>
<b>Balance at 1 January 2016</b>		<u>5,717,651</u>	<u>742,962</u>	<u>6,460,613</u>
Surplus (deficit) for the year		-	(1,823,688)	(1,823,688)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>(1,823,688)</u>	<u>(1,823,688)</u>
Transfer to (from) retained opening surplus to (from) restricted reserves	13	(1,754,403)	1,754,403	-
<b>Balance at 31 December 2016</b>		<u>3,963,248</u>	<u>673,677</u>	<u>4,636,925</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 2016

	2016	2015
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and researchers (inclusive of goods and services tax)	(8,911,397)	(5,887,546)
Grants and donations received	11,799,528	7,200,351
Employment costs	(1,419,389)	(1,154,627)
<b>Net cash inflow from operating activities</b>	<u>1,468,742</u>	<u>158,178</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment (exclusive of goods and services tax)	(41,684)	(23,689)
Term deposits held as bank guarantees	(23,688)	997
Payments for patents and trademarks	(4,777)	(455)
Proceeds from sale of property, plant and equipment (exclusive of goods and services tax)	1,410	689
Interest received	95,585	101,181
<b>Net cash inflow from investing activities</b>	<u>26,846</u>	<u>78,723</u>
<b>Net cash inflow from financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<b>1,495,588</b>	<b>236,901</b>
Cash and cash equivalents at the beginning of the financial year	<u>2,926,513</u>	<u>2,689,612</u>
<b>Cash and cash equivalents at end of year</b>	<b>4,422,101</b>	<b>2,926,513</b>

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

## 1 Summary of significant accounting policies

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

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-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 - Reduced Disclosure Requirements

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

#### (ii) Historical cost convention

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

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

The Foundation has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2016:

- AASB 2014-4 *Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation*;
- AASB 2015-1 *Amendments to Australian Accounting Standards - Annual improvements to Australian Accounting Standards 2012 - 2014 cycle*; and
- AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 101*.

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

- AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107*.

As these amendments merely clarify the existing requirements, they do not affect the Foundation's accounting policies or any of the disclosures.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been early adopted by the Foundation. The Foundation's assessment of the impact of these new standards and interpretations is set out below.



## 1 Summary of significant accounting policies (continued)

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

<b>Title of standard</b>	<b>Nature of change</b>	<b>Impact</b>	<b>Mandatory application date/ Date of adoption by the Foundation</b>
AASB 9 <i>Financial Instruments</i>	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	Following the changes approved by the AASB in December 2014, the Foundation no longer expects any impact from the new classification, measurement and derecognition rules on the Foundation's financial assets and financial liabilities. There will also be no impact on the Foundation's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Foundation does not have any such liabilities.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.
AASB 15 <i>Revenue from Contracts with Customers</i>	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.	The materiality of the impact of this standard on the financial statements of the Foundation is not yet fully known. AASB 2016-7 defers the application date of this standard by not-for-profit entities until financial years commencing on or after 1 January 2019. As such, the Foundation will utilise the next 12 months to thoroughly investigate the potential effects of this standard on both contracting methodology and financial statements.	For not-for-profit entities: Mandatory for financial years commencing on or after 1 January 2019. Expected date of adoption by the Foundation: 1 January 2019.

## 1 Summary of significant accounting policies (continued)

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

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Foundation
AASB 16 <i>Leases</i>	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.	The only significant operating lease is the lease of premises in Ann Street, Brisbane. An asset and associated liability is expected to be recognised for this lease upon adoption of this Standard. A periodic amortisation and interest charge is expected to be recognised in the statement of profit or loss and other comprehensive income, the amounts of which are not expected to be material.	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Foundation does not intend to adopt the standard before its effective date.

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

#### (v) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise 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.

### (b) Revenue recognition

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

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

#### (i) *Interest*

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

#### (ii) *Donations*

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

#### (iii) *Corporate grants*

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

#### (iv) *Government grants*

Grants received from 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.

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

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

#### *(vi) 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.

### **(d) Leases**

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

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

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

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

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

### **(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. 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.

## 1 Summary of significant accounting policies (continued)

### (i) Property, plant and equipment

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

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the 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 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.

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

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

### **(m) Employee benefits (continued)**

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

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

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

#### *(iii) Sick leave*

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

#### *(iv) Superannuation*

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

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

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.

## 2 Revenue

	2016	2015
	\$	\$
Project grants received	1,694,564	2,731,948
Government research contributions	3,710,250	4,243,690
Pro bono services	266,534	444,534
Donations - Chairman's Panel	728,500	775,000
Membership fees - Chairman's Panel	174,800	182,400
Grants received - project fees	675,393	906,792
Royalties - cause related marketing	27,096	31,620
Donations	690,109	232,128
Interest income	95,877	100,597
Other revenue	21,235	19,295
	<u>8,084,358</u>	<u>9,668,004</u>

## 3 Expenses

	2016	2015
	\$	\$
<b>Surplus (deficit) before income tax includes the following specific expenses:</b>		
<b><i>Employee benefits</i></b>		
Defined contribution superannuation expense	<u>119,460</u>	98,137
<b><i>Business development</i></b>		
Pro bono services	2,000	105,545
Expenses other than pro bono services	<u>71,671</u>	44,912
	<u>73,671</u>	150,457
<b><i>Occupancy and administration</i></b>		
Pro bono services	117,355	198,819
Expenses other than pro bono services	<u>302,333</u>	283,789
	<u>419,688</u>	482,608
<b><i>Engagement and communications</i></b>		
Pro bono services	147,179	140,170
Expenses other than pro bono services	<u>234,234</u>	216,736
	<u>381,413</u>	356,906

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

	2016	2015
	\$	\$
Bank deposits	3,745,993	1,837,082
Operating accounts	283,100	171,206
Public fund accounts	237,763	57,307
Project accounts	155,245	860,918
	4,422,101	2,926,513

##### (a) Public fund monies

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

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

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

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

##### (b) Project account

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

#### 5 Assets subject to a restriction

Funds received for research generally consist of two components. The first component is 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.

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

## 5 Assets subject to a restriction (continued)

	2016	2015
	\$	\$
<i>Funds recognised as restricted reserves:</i>		
ZooX fund	-	527,661
eReefs	1,515,256	2,160,300
Reef Resilience fund	259,735	1,575,000
Sir Ian MacFarlane bequest	162,058	160,832
Resilient Reefs	1,241,335	1,156,955
Sponsorships	9,092	17,869
Other	775,772	119,034
Balance at 31 December	3,963,248	5,717,651

## 6 Current assets - Trade and other receivables

	2016	2015
	\$	\$
Grants, donations and royalties receivable	896,760	3,837,280
Interest receivable	4,278	3,987
Other receivables	496	-
Goods and services tax (GST) receivable	174,351	-
	1,075,885	3,841,267

The Foundation has recognised no losses in respect to the impairment of trade receivables during the year ended 31 December 2016 (2015: nil). There were no material trade receivables past their due date at 31 December 2016.

## 7 Current assets - Financial assets

	2016	2015
	\$	\$
Term deposit held as security	205,411	181,723

## 8 Current assets - Other current assets

	2016	2015
	\$	\$
Deposits paid	11,946	14,738
Prepayments	39,400	13,830
	51,346	28,568



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

	Plant and equipment \$	Leased plant and equipment \$	Artwork \$	Total \$
<b>At 1 January 2015</b>				
Cost	141,247	21,342	10,400	172,989
Accumulated depreciation	(87,362)	(14,952)	(4,651)	(106,965)
Net book amount	<u>53,885</u>	<u>6,390</u>	<u>5,749</u>	<u>66,024</u>
<b>Year ended 31 December 2015</b>				
Opening net book amount	53,885	6,390	5,749	66,024
Additions	20,973	-	2,716	23,689
Disposals	(707)	-	-	(707)
Depreciation charge	(11,394)	(720)	(581)	(12,695)
Closing net book amount	<u>62,757</u>	<u>5,670</u>	<u>7,884</u>	<u>76,311</u>
<b>At 31 December 2015</b>				
Cost	158,680	21,342	13,118	193,140
Accumulated depreciation	(95,923)	(15,672)	(5,234)	(116,829)
Net book amount	<u>62,757</u>	<u>5,670</u>	<u>7,884</u>	<u>76,311</u>
<b>Year ended 31 December 2016</b>				
Opening net book amount	62,757	5,670	7,884	76,311
Additions	32,512	-	9,172	41,684
Disposals	(51,665)	(5,193)	(2,507)	(59,365)
Depreciation charge	(13,547)	(477)	(869)	(14,893)
Closing net book amount	<u>30,057</u>	<u>-</u>	<u>13,680</u>	<u>43,737</u>
<b>At 31 December 2016</b>				
Cost	43,793	-	19,572	63,365
Accumulated depreciation	(13,736)	-	(5,892)	(19,628)
Net book amount	<u>30,057</u>	<u>-</u>	<u>13,680</u>	<u>43,737</u>

## 10 Non-current assets - Intangible assets

	Trademarks at cost \$	Total \$
<b>At 1 January 2015</b>		
Cost	27,474	27,474
Accumulation amortisation	(11,194)	(11,194)
Net book amount	<u>16,280</u>	<u>16,280</u>
<b>Year ended 31 December 2015</b>		
Opening net book amount	16,280	16,280
Additions	455	455
Amortisation charge **	(2,857)	(2,857)
Closing net book amount	<u>13,878</u>	<u>13,878</u>
<b>At 31 December 2015</b>		
Cost	27,929	27,929
Accumulation amortisation	(14,051)	(14,051)
Net book amount	<u>13,878</u>	<u>13,878</u>
<b>Year ended 31 December 2016</b>		
Opening net book amount	13,878	13,878
Additions	4,777	4,777
Amortisation charge **	(3,201)	(3,201)
Closing net book amount	<u>15,454</u>	<u>15,454</u>
<b>At 31 December 2016</b>		
Cost	32,706	32,706
Accumulated amortisation	(17,252)	(17,252)
Net book amount	<u>15,454</u>	<u>15,454</u>

\*\* Amortisation of \$3,201 (2015: \$2,857) is included in depreciation and amortisation expense in profit or loss.

## 11 Current liabilities - Trade and other payables

	2016 \$	2015 \$
Accounts payable	538,598	233,814
Science project accrued expenses	305,700	173,105
Goods and services tax (GST) payable	760	58,189
	<u>845,058</u>	<u>465,108</u>

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

## 12 Provisions

	2016		2015		
	Current	Non-current	Total	Current	Non-current
	\$	\$	\$	\$	\$
Provision for employee benefits	<u>76,935</u>	<u>19,616</u>	<u>96,551</u>	128,129	14,410
				142,539	

## 13 Funds

### (a) Reserves

	2016	2015
	\$	\$
Restricted funds reserve	<u>3,963,248</u>	<u>5,717,651</u>

### Movements:

#### *Restricted funds reserve*

Balance at 1 January	5,717,651	3,337,095
Transfer to retained operating surplus (restricted expenses)	(7,619,009)	(4,839,068)
Transfer from retained operating surplus (restricted income)	<u>5,864,606</u>	<u>7,219,624</u>
Balance at 31 December	<u>3,963,248</u>	<u>5,717,651</u>

### (b) Retained operating surplus

Movements in retained operating surplus were as follows:

	2016	2015
	\$	\$
Balance at 1 January	742,962	598,509
Net operating surplus (deficit) for the year	(1,823,688)	2,525,009
Net transfer from retained operating surplus to restricted fund reserves	<u>1,754,403</u>	<u>(2,380,556)</u>
Balance at 31 December	<u>673,677</u>	<u>742,962</u>

## 14 Contingent liabilities

The Foundation had no contingent liabilities at 31 December 2016 (2015: nil).

## 15 Commitments

### (a) Capital and other commitments

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

	2016	2015
	\$	\$
<b><i>eReefs projects payable:</i></b>		
Within one year	1,962,463	2,949,000
Later than one year but not later than five years	-	1,816,100
	1,962,463	4,765,100
 <b><i>Resilient Reefs projects payable:</i></b>		
Within one year	704,247	517,294
Later than one year but not later than five years	-	35,000
	704,247	552,294
 <b><i>Reef Resilience projects payable:</i></b>		
Within one year	1,170,000	2,480,000
Later than one year but not later than five years	1,845,000	3,015,000
	3,015,000	5,495,000
 <b><i>Other projects payable:</i></b>		
Within one year	198,000	-
Later than one year but not later than five years	164,000	-
	362,000	-

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

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

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

	2016	2015
	\$	\$
Commitments in relation to leases contracted for at the end of each reporting period but not recognised as liabilities, payable:		
Within one year	115,412	99,754
Later than one year but not later than five years	460,015	7,394
	575,427	107,148

**16 Related party transactions**

**(a) Key management personnel**

	2016 \$	2015 \$
Key management personnel compensation	<b>845,634</b>	408,344

An increase in key management compensation in 2016 is due to costs associated with the transition of Managing Directors and an organisational restructure which resulted in the creation of two new Director level positions.

Great Barrier Reef Foundation Board members and other Executive Committee members are comprised entirely of volunteers. No fees are paid for serving as a volunteer board or committee member.

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

*Directors of Great Barrier Reef Foundation*

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

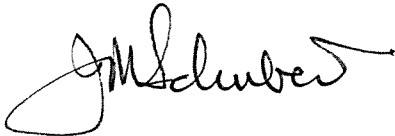
Aggregate amounts of donations received from related parties of Great Barrier Reef Foundation:

	2016 \$	2015 \$
<b>Amounts recognised as revenue</b>		
Grants and donations received	<b>2,007,987</b>	3,686,441

In the directors' opinion:

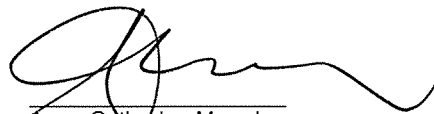
- (a) the financial statements and notes set out on pages 9 to 27 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:
- (i) complying with accounting standards and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2016 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

9 March 2017



Anna Catherine Marsden  
Managing Director

9 March 2017

## 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 31 December 2016, 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, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration as set out on pages 9 to 28.

In our opinion the financial report of Great Barrier Reef Foundation has been prepared in accordance with Division 60 of 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 31 December 2016, and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Foundation's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

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 Management and the Directors for the Financial Report*

Management of the Foundation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Foundation’s financial reporting process.

#### *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 judgement 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 management.
- Conclude on the appropriateness of management’s 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.



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- 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 management and 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.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzani  
Partner

Chartered Accountants  
Brisbane, 13 March 2017

