

Great Barrier Reef Foundation

ABN 82 090 616 443

Financial report for the year ended 30 June 2023

Great Barrier Reef Foundation

ABN 82 090 616 443

Financial report - 30 June 2023

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Great Barrier Reef Foundation
Annual report for the year ended 30 June 2023

Directors' Report

The Directors present this report together with the Financial Statements for the year ended 30 June 2023.

The Great Barrier Reef Foundation (the Foundation) publishes a Year in Review which provides a summary of projects and outcomes from the reporting year.

Corporate governance statement

The Foundation is a not-for-profit public company limited by guarantee, incorporated under the *Corporations Act 2001* and Australian Charities and Not-for-Profit Commission.

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. The Board adheres to the ACNC Governance Standards.

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 projects;
- Prepare and approve governance policy statements;
- Review and monitor the performance of management; and
- Determine strategic and long-term objectives.

The Board delegates the day-to-day management of the Foundation to the Managing Director and oversees and monitors performance of the organisation.

Board Directors in office at any time during the year and thereafter until 1 November 2023 are:

Dr Martin Parkinson AC PSM (Co-Chair)

Martin's had a 40-year career serving in Commonwealth Government leadership positions on all facets of economic, social, foreign, defence and national security policies. During that time, he was Secretary of three Commonwealth Departments: Prime Minister and Cabinet; Treasury; and the inaugural Department of Climate Change. He is a Director of Worley, a member of the NSW Government's Net Zero Emissions and Clean Economy Board and is on the organising committee of the Climate Leaders Coalition.

David Thodey AO (Co-Chair)

David is a business leader focused on innovation, technology and telecommunications with more than 40 years' experience, including as CEO of Telstra and CEO of IBM Australia and New

Zealand. Until recently, David was Chair of Australia's national scientific research agency, the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Anna Marsden (Managing Director)

Anna is responsible for leading the Foundation's team to achieve its ambition of a better future for the world's coral reefs. She joined the Foundation in 2016 and holds a number of related board and committee roles including the Reef Restoration and Adaptation Program, World Economic Forum's Friends of Ocean Action and the International Coral Reef Initiative. She has 20 years' experience in executive leadership, fundraising, marketing and government relations. Anna was previously the CEO of Queensland Ballet and Head of Development at the Queensland Art Gallery.

Hayley Baillie

Hayley is passionate about travel and adventure, having spent more than a decade as a naturalist guide on expedition ships from the North to the South Pole. In 2003, Hayley created Baillie Lodges a growing portfolio of premium luxury lodges in extraordinary destinations. Hayley supports several charities and not-for-profit initiatives through her family foundation and is the co-chair of the Sapphire Project for marine conservation. She is a board member of the National Portrait Gallery, Australian String Quartet and Australian Ballet Foundation.

Stephen Fitzgerald AO

Stephen was the Founder and Managing Partner of Affirmative Investment Management (AIM), a specialist impact fixed income manager. MetLife of New York has recently acquired AIM. Previously, Stephen was CEO and Chairman of Goldman Sachs, Australia. He served a five-year term as a member of the Board of Guardians of the Future Fund. He also served on the board of the National Centre for Indigenous Excellence and on the board of QBE Insurance Group for seven years, chairing the Investment Committee and the People and Remuneration Committee. Stephen has over 35 years' experience in funds management. He serves on the boards of Lombard Odier Asset Management, and the British Museum Investment Sub-Committee. He was a founding member of the Champions of Change Coalition.

Dr Paul Greenfield AO

Paul is a chemical engineer who worked at the University of Queensland for more than 35 years, holding senior roles including Deputy Vice Chancellor (Research), Senior Deputy Vice Chancellor and Provost and Vice Chancellor (2008 – 2011). He chairs the Cooperative Research Centre for High Performance Soils and is a former Chair of the Australian Nuclear Science and Technology Organisation (ANSTO).

John Gunn (retired 06/03/2023)

John is a marine scientist with over 35 years' experience in conservation and sustainable use of marine ecosystems and resources. He was previously Chief Executive of the Australian Institute of Marine Science (2011 – 2017); Chief Scientist of the Australian Antarctic Program and First Assistant Secretary in the Australian Government (2008 – 2011); and Deputy Chief of CSIRO's Marine and Atmospheric Research Division (2003 – 2008). John serves as Chair of the boards of the Marine Bioproducts Cooperative Research Centre and Australia's Integrated Marine Observing System.

Cindy Hook

Cindy is the Chief Executive of the Brisbane 2032 Olympic and Paralympic Organising Committee. Prior to that she had a long career with Deloitte, having served as Chief Executive

for Asia Pacific from 2018 to 2022 and as a member of the Deloitte Global Executive Committee. Cindy was Chief Executive for Deloitte Australia from 2015 to 2018 and led Deloitte's Audit & Assurance practice in Australia from 2009 to 2014.

Grant King

Grant has extensive experience in the Australian energy industry, holding management positions at Origin Energy Limited, Boral Energy and AGL Gas Companies, as well as board positions across the energy sector. He is currently Chairman of HSBC Australia, GreenCollar, Sydney Water, the Climate Change Authority and Arventa. He also holds a position as Professor of Energy Engineering, the Chairman of the Energy Institute and a Board member of ATRaCE, all at the UNSW.

Dr Larry Marshall (appointment approved 05/06/2023)

Dr Larry Marshall Chairs the American Chamber of Commerce, and sits on the boards of Fortescue, Nanosonics, and ANU and wrote the book, Invention to Innovation. He is the longest serving Chief Executive of CSIRO, and led a transformation which doubled the value of CSIRO, and achieved the first growth in 30 years, making it the first Australian entity to reach Thompson Reuters Global Top 20 Innovators. He has co-founded and led six companies in Biotech, Telecom, Semi and Venture Capital and an inaugural Male Champion of Change STEM. He has a PhD in Physics and has been honoured for business acumen as a Fellow of AICD, but also Technology acumen as a Federation Fellow and Fellow of AIP & ATSE.

Dr Russell Reichelt AO

Russell was Chairman and Chief Executive of the Great Barrier Reef Marine Park Authority (GBRMPA) for over a decade. During this period GBRMPA developed the GBR Outlook Report which publicised scientific reports on the threats of coral bleaching and other risks caused by climate change. He is a board member of the Australian Climate Change Authority and in 2018, he was appointed the Australian Sherpa [Representing the Prime Minister] for the High-Level Panel for a Sustainable Ocean Economy. Russell has a PhD in Coral Reef Ecology and is a Fellow of the Australian Academy of Technological Sciences.

Steven Sargent

Steven's executive career included 22 years at General Electric, where he gained extensive multi-industry, international experience leading businesses in industries including healthcare, energy and financial services across the USA, Europe and Asia Pacific. He is currently a Non-Executive Director of Origin Energy Limited and Ramsay Healthcare Limited, and Chairman of infection prevention company Nanosonics Limited.

Phillip Strachan

Phillip spent 35 years working for the Rio Tinto Group primarily in finance roles across Australia as well as in London, Montreal and Jakarta. His final role with Rio Tinto was President and CEO of the Bauxite and Alumina global business unit based in Brisbane. Phillip is a Director of Urban Utilities and a Council member of the University of Sunshine Coast.

Olivia Wirth

Olivia has over 15 years' experience in public affairs, marketing and government relations. As Chief Executive of Qantas Loyalty, Olivia is responsible for leading the airline's Frequent Flyer and Business Rewards programs and the diversification of Qantas Loyalty into digital ventures across financial services, retail, health and well-being, and data and marketing. She is a member of the Qantas Group Management Committee and the board of UNICEF Australia.

Dr Katherine Woodthorpe AO (appointment approved 05/06/2023)

Katherine is a Fellow of the Australian Institute of Company Directors and President of the Academy of Technology and Engineering. She holds a PhD in Chemistry and an Honorary Doctorate from the University of Technology Sydney. In 2017, she received an Order of Australia for her ongoing service to research and technology innovation in Australia. Dr Woodthorpe has a deep knowledge of governance, leadership and the innovation sector. She has been Chair of the Bushfires and Natural Hazards CRC, the Antarctic Climate and Ecosystems CRC and the HEARing CRC and a director of several other organisations, including Sirtex Ltd, ARENA. She previously chaired the National Climate Science Advisory Committee. She was cited in 2023 as one of “The List: Green Power Players”.

Board Committees

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

- Audit, Risk, and Compliance Committee
- Philanthropy Committee
- International Scientific Advisory Committee
- Partnership Management Committee
- Nominations Committee
- Investment Committee
- Public Fund Committee

Insurance of officers

During the year ended 30 June 2023, the Foundation paid a premium of \$30,561 (2022: \$25,811) 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 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 made under the *Corporations Act 2001* 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 10.

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.

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 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's 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.

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 2022 to 30 June 2023, the Foundation had an Operating surplus of \$3,490,624 (30 June 2022: Operating surplus \$4,364,212). Of this Operating surplus, \$2,812,336 relates to funds received in the financial year committed to specific Reef Programs to be delivered in future years.

As at 30 June 2023, \$10,440,710 (30 June 2022: \$7,628,374) of restricted reserves is considered tied funds for application towards project commitments.

Regarding funding for the Reef Trust Partnership (RTP), as at 30 June 2023, a balance of \$160,355,368 (as at 30 June 2022: \$274,086,439) is deferred revenue to fund commitments under the Reef Trust Partnership Grant Agreement.

As at 30 June 2023, the Foundation has a \$2,000,000 balance in Sustainability Reserve and \$694,000 in Operating Reserve available.

Operations

The total number of employees as at 30 June 2023 was 55.5 FTE (30 June 2022: 47.9 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 2023, include:

- Google (Advertising)
- Allens

For the year ended 30 June 2023, these organisations have collectively provided pro bono services valued at \$169,236 (30 June 2022: \$146,428).

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 coral reefs. The Foundation has always strived to minimise its

administration and fundraising overheads to ensure the greatest impact for our partners and supporters, and for the Reef.

Accordingly, the Foundation regularly monitors two key metrics:

- a) **The Proportion of Project Expenditure:** For the year ended 30 June 2023, the Foundation's Proportion of Project Expenditure to total expenditure was 94.17% (30 June 2022: 92.8%) where a majority of project expenditure is related to the RTP Program delivery.
- b) **The Costs of Administration and Fundraising** as a percentage of total expenditure were 3.81% and 2.01% respectively (30 June 2022: 4.7% and 2.5% respectively).

Notes:

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

Directors and meetings of Directors (01/07/2022 – 30/06/2023)

Directors	Board start date	Board retired date	No. of meetings eligible to attend	No. of meetings attended
Martin Parkinson AC PSM (Co-Chair) <i>PhD, MA, MEc, BEc(Hons 1), FASSA, FIPAA</i>	04/11/2021		4	4
David Thodey AO (Co-Chair) <i>BA, Hon.DScTech, Hon.DBus,</i>	04/11/2021		4	4
Anna Marsden (Managing Director) <i>BArts</i>	25/03/2016		4	4
Hayley Baillie <i>BArts</i>	01/09/2022		4	4
Stephen Fitzgerald AO <i>BEcon</i>	25/11/2010		4	3
Paul Greenfield AO <i>BEcon QLD, BE (Hons) NSW, PhD NSW, FIE Aust, FTSE, FIChemEng, MAIChe</i>	21/12/2007		4	2
John Gunn <i>BSc(Hons 1), FTSE</i>	07/03/2018	06/03/2023	3	2
Cindy Hook <i>BAcc, CPA</i>	09/05/2018		4	4
Grant King <i>BEng, MMA, FAICD</i>	28/11/2017		4	2
Larry Marshall	Appointment approved 05/06/2023		0	0
Russell Reichelt AO <i>BSc PhD, FAICD, FTSE</i>	31/08/2004		4	4
Steven Sargent <i>BBus, FAATSE</i>	18/02/2015		4	4
Phillip Strachan <i>BCom, FCPA, MAICD</i>	23/12/2003		4	4
Olivia Wirth <i>BComm</i>	30/01/2018		4	4

Katherine Woodthorpe AO, <i>PhD</i> , <i>FAICD, FTSE</i>	Appointment approved 05/06/2023		0	0
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Audit, Risk and Compliance Committee		No. of meetings eligible to attend	No. of meetings attended
Phillip Strachan	Chair	4	4
Ruth Coulson	Member	4	4
Tendai Mkwanzani	Member	4	2
Helen Moore	Member	4	3
Anthony Rose	Member	4	3
Erin Strang	Member	4	2

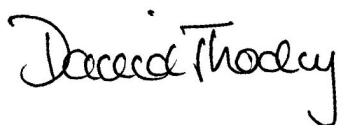
International Scientific Advisory Committee		No. of meetings eligible to attend	No. of meetings attended
Paul Greenfield AO	Chair	2	2
Anna Marsden	Managing Director	2	1
Chris Cocklin	Member	1	1
Bronwyn Harch	Member	1	0
Paul Hardisty	Member	2	2
David Wachenfeld	Member	2	1
Alistair Hobday	Member	2	2
Ove Hoegh-Guldberg	Member	2	1
Hugh Possingham	Member	2	1
Christopher Barner-Kowollik	Member	2	0
Michael McArdle for Christopher Barner-Kowollik	Proxy	2	2

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	0
Andrew Spence	Member	1	1

Partnership Management Committee		No. of meetings eligible to attend	No. of meetings attended
John Gunn (retired 06/03/23)	Chair	2	2

Paul Greenfield AO (Chair from 06/03/23)	Member / Chair	3	2
Geoff Garrett AO	Member	3	3
Larissa Hale	Member	3	2
Ove Hoegh-Guldberg	Member	3	3
Wendy Morris	Member	3	1
Elisa Nichols	Member	3	2
Russel Reichelt AO (from 04/05/23)	Member	1	1
Jessica Hoey (stepped down 03/08/22)	Member	1	1
Ian Walker (from 20/10/22)	Member	2	2
Rebecca Gee	Member	3	1
Julia Playford (from 04/05/23)	Member	2	1
Theresa Fyffe	Employee	3	3
Eleni Metallios proxy for Rebecca Gee	Proxy	1	1
Denis Snowdon and Julie Steele proxy for Rebecca Gee	Proxy	1	1

Philanthropy Committee		No. of meetings eligible to attend	No. of meetings attended
Hayley Baillie	Chair	1	1
Olivia Wirth	Member	1	1
Cindy Hook	Member	1	1
David Thodey	Member	1	1



David Thodey AO
 Co-Chair
 Date 01 November 2023



Dr Martin Parkinson AC PSM
 Co-Chair
 Date 01 November 2023



Anna Marsden
 Managing Director
 Date 01 November 2023



**Building a better
working world**

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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 2023, 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 & Young".

Ernst & Young

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

Brad Tozer
Partner
01 November 2023

Great Barrier Reef Foundation

ABN 82 090 616 443

Financial report - 30 June 2023

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

The financial statements are presented in 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 results and operations and principal activities in the directors' report, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 1 November 2023.

Great Barrier Reef Foundation
Statement of profit or loss and other comprehensive income
for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue	2	115,728,723	89,634,040
Other income	3(a)	7,755,149	6,510,526
Other losses – net	3(b)	(168)	-
Project cost		(109,751,233)	(82,488,161)
Employee benefits expense		(7,682,339)	(6,593,090)
Engagement and communications expense		(1,277,241)	(1,253,348)
Occupancy and administration expense		(781,307)	(809,137)
Business development costs		(98,364)	(217,360)
Depreciation and amortisation expense		(348,608)	(345,978)
Finance expenses	3(c)	(53,988)	(73,280)
Operating surplus before income tax		3,490,624	4,364,212
Income tax expense		-	-
Operating surplus for the year		3,490,624	4,364,212
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,490,624	4,364,212

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 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	92,430,892	110,753,058
Receivables	5	4,789,317	3,176,765
Other financial assets and term deposits	6	75,253,914	94,855,478
Other current assets	7	10,575,537	5,143,183
Total current assets		183,049,660	213,928,484
Non-current assets			
Term deposits	6	-	78,638,435
Property, plant and equipment	8	393,700	691,604
Intangible assets	9	32,111	73,506
Total non-current assets		425,811	79,403,545
Total assets		183,475,471	293,332,029
LIABILITIES			
Current liabilities			
Trade and other payables	10	3,609,158	2,404,788
Deferred revenue	11	111,260,362	149,022,351
Employee benefit obligations	12	472,841	363,238
Lease liabilities	13	354,740	321,277
Total current liabilities		115,697,101	152,111,654
Non-current liabilities			
Deferred revenue	11	54,351,879	130,994,661
Employee benefit obligations	12	152,478	90,186
Lease liabilities	13	139,362	491,501
Total non-current liabilities		54,643,719	131,576,348
Total liabilities		170,340,820	283,688,002
Net assets		13,134,651	9,644,027
FUNDS			
Reserves	14(a)	12,440,710	7,628,374
Retained operating surplus	14(b)	693,941	2,015,653
Total funds		13,134,651	9,644,027

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 2023**

	Notes	Reserves \$	Retained operating surplus \$	Total equity \$
Balance at 1 July 2021		3,869,449	1,410,366	5,279,815
Surplus for the year		-	4,364,212	4,364,212
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	4,364,212	4,364,212
Transfer to/(from) retained opening surplus to/(from) reserves	14	3,758,925	(3,758,925)	-
Balance at 30 June 2022		7,628,374	2,015,653	9,644,027
Balance at 1 July 2022		7,628,374	2,015,653	9,644,027
Surplus for the year		-	3,490,624	3,490,624
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	3,490,624	3,490,624
Transfer to/(from) retained opening surplus to/(from) reserves	14	4,812,336	(4,812,336)	-
Balance at 30 June 2023		12,440,710	693,941	13,134,651

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 2023

	2023	2022
Notes	\$	\$
Cash flows from operating activities		
Grants and donations received (inclusive of GST)	905,682	2,954,623
Payments to tax authority, suppliers and researchers (inclusive of GST)	(117,619,253)	(98,576,588)
Employment costs	(7,510,444)	(6,464,665)
Net cash (outflow) from operating activities	(124,224,015)	(102,086,630)
Cash flows from investing activities		
Payments for property, plant and equipment (exclusive of GST)	(9,477)	(8,410)
Transfer from term deposits	98,239,999	99,898,843
Transfer from term deposits held as bank guarantees	-	150,350
Interest received on financial assets held as investments	8,025,895	7,035,033
Net cash inflow from investing activities	106,256,417	107,075,816
Cash flows from financing activities		
Lease payments	(354,568)	(341,184)
Net cash (outflow) from financing activities	(354,568)	(341,184)
Net (decrease) increase in cash and cash equivalents	(18,322,166)	4,648,002
Cash and cash equivalents at the beginning of the financial year	110,753,058	106,105,056
Cash and cash equivalents at end of year	92,430,892	110,753,058

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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*. The 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 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 2023 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.

(iv) Comparatives

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

(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 from contracts with partners is recognised by reference to each distinct performance obligation in the contract. Revenue from contracts (contract price) is the amount of consideration to which the Foundation expects to be entitled to in exchange for delivering the performance obligation. A portion of contract price is allocated to each performance obligation with each distinct deliverable promised under the terms of 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 2023-2024 Reef Trust Partnership Annual Work Plan and other Foundation 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.

1 Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

(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) 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

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

1 Summary of significant accounting policies (continued)

(d) Leases (continued)

- 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.

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.

1 Summary of significant accounting policies (continued)

(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). At balance date, the Foundation has no indefinite useful life assets.

(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.

(i) Receivables

Receivables are for interest, services provided, corporate sponsorship, payments milestones from grants as per revenue contract with partners and other miscellaneous items. Amounts are generally due for settlement within 30 days and are therefore all classified as current.

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 |

1 Summary of significant accounting policies (continued)

(j) Property, plant and equipment (continued)

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.

(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.

1 Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

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

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.

(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 dollar.

Great Barrier Reef Foundation
Notes to the financial statements
30 June 2023
(continued)

2 Revenue

	2023	2022
	\$	\$
Project funds	6,685,376	5,066,426
Government grants	106,728,032	81,902,097
Donations	2,202,656	2,572,364
Membership fees	112,659	93,153
	<u>115,728,723</u>	<u>89,634,040</u>

For the year ended 30 June 2023, the Foundation derived revenue from contracts with partners from the delivery of project investments over time of \$108,817,120 (2022: \$83,984,540).

3 Other income and expense items

(a) Other income

	2023	2022
	\$	\$
Pro bono services	169,236	146,428
Interest income	7,530,657	6,345,942
Other revenue	55,256	18,156
	<u>7,755,149</u>	<u>6,510,526</u>

The Foundation has deferred interest entitlements from the Reef Trust Partnership Grant Agreement. These are contractually required to fund 57% of the Administrative Component. During the financial year ended 30 June 2023, 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

	2023	2022
	\$	\$
Net loss on disposal of property, plant and equipment	(168)	-
	<u>(168)</u>	<u>-</u>

(c) Finance expenses

	2023	2022
	\$	\$
Interest and finance charges paid/payable	15,495	17,390
Provisions: unwinding of discount	2,601	2,455
Interest on leases	35,892	53,435
Finance expenses	<u>53,988</u>	<u>73,280</u>

4 Current assets - Cash and cash equivalents

	2023	2022
	\$	\$
Public fund account (a)	735,297	1,271,401
Operating accounts	2,564,312	1,504,783
Project accounts (b)	61,521,283	70,941,888
Bank term deposits (c)	27,610,000	37,034,986
	92,430,892	110,753,058

(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 \$27,610,000 (2022: \$37,034,986) 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 - Receivables

	2023	2022
	\$	\$
Grants and donations receivable	1,422,761	1,286,521
Goods and services tax (GST) receivable	2,455,514	1,133,525
Interest receivable	906,348	754,826
Other receivables	4,694	1,893
	4,789,317	3,176,765

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 2023 was determined as follows for receivables:

30 June 2023	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	
Gross carrying amount – receivables	220,831	101,930	1,100,000	-	1,422,761
Loss allowance	-	-	-	-	-

30 June 2022	Current	More than 30 days past due	More than 60 days 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
Loss allowance	-	-	-	-	-

6 Other financial assets and term deposits

	2023			2022		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Term deposit held as security	225,478	-	225,478	225,478	-	225,478
Term deposits - with maturity between 3 and 12 months	75,028,436	-	75,028,436	94,630,000	-	94,630,000
Term deposits - with maturity greater than 12 months	-	-	-	-	78,638,435	78,638,435
	75,253,914	-	75,253,914	94,855,478	78,638,435	173,493,913

Credit rating (S&P long term)	A2	A1+	Total
Total value of term deposits	14,000,000	61,028,436	75,028,436
Term deposit composition	Current	Non-current	Total
Variable interest rate deposits	-	-	-
Fixed interest rate deposits	75,028,436	-	75,028,436

7 Other current assets

	2023	2022
	\$	\$
Deposits paid	10,260,439	4,749,132
Prepayments	315,098	394,051
	10,575,537	5,143,183

Deposits paid during the current financial year include deposit payments of \$10,133,185 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 \$	Fit out \$	Right-of-use assets \$	Total \$
At 1 July 2021				
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
Year ended 30 June 2022				
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
At 30 June 2022				
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
Year ended 30 June 2023				
Opening net book amount	28,068	5,064	658,472	691,604
Additions	9,477	-	-	9,477
Disposals	(168)	-	-	(168)
Depreciation charge	(14,053)	(507)	(292,653)	(307,213)
Closing net book amount	23,324	4,557	365,819	393,700
At 30 June 2023				
Cost	80,299	9,172	1,668,587	1,758,058
Accumulated depreciation	(56,975)	(4,615)	(1,302,768)	(1,364,358)
Net book amount	23,324	4,557	365,819	393,700

(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 \$
At 1 July 2021			
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>
Year ended 30 June 2022			
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>
At 30 June 2022			
Cost	33,906	200,000	233,906
Accumulation amortisation	(30,400)	(130,000)	(160,400)
Net book amount	<u>3,506</u>	<u>70,000</u>	<u>73,506</u>
Year ended 30 June 2023			
Opening net book amount	3,506	70,000	73,506
Amortisation charge	(1,395)	(40,000)	(41,395)
Closing net book amount	<u>2,111</u>	<u>30,000</u>	<u>32,111</u>
At 30 June 2023			
Cost	33,906	200,000	233,906
Accumulated amortisation	(31,795)	(170,000)	(201,795)
Net book amount	<u>2,111</u>	<u>30,000</u>	<u>32,111</u>

10 Current liabilities - Trade and other payables

	2023 \$	2022 \$
Accounts payable	1,672,760	20,749
Project accrued expenses	1,936,398	2,384,039
	<u>3,609,158</u>	<u>2,404,788</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

	2023			2022		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Deferred revenue	111,260,362	54,351,879	165,612,241	149,022,351	130,994,661	280,017,012

Current deferred revenue includes Reef Trust Partnership and other Foundation projects identified in the FY24 Board approved budget. Non-current deferred revenue relates to the remainder of the Reef Trust Partnership funding to be delivered in subsequent years.

	2023 \$	2022 \$
Reef Trust Partnership	143,944,003	254,991,944
Interest - Reef Trust Partnership	16,411,365	19,094,494
Reef Islands Initiative	966,991	1,335,316
Resilient Reefs Project	4,050,548	4,299,666
Raine Island Recovery Project	89,339	89,338
Interest - other projects	104,395	67,662
Other	45,600	138,592
	165,612,241	280,017,012

12 Employee benefit obligations

	2023			2022		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Leave obligations	472,841	152,478	625,319	363,238	90,186	453,424

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

	2023			2022		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Lease liabilities	354,740	139,362	494,102	321,277	491,501	812,778

13 Lease liabilities (continued)

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

	2023	2022
	\$	\$
Within one year	371,233	357,168
Later than one year but not later than five years	140,228	464,929
Later than five years	-	-
	<u>511,461</u>	<u>822,097</u>

14 Funds

(a) Reserves

		2023	2022
	Notes	\$	\$
Restricted reserves	15	10,440,710	7,628,374
Sustainability reserve		2,000,000	-
		<u>12,440,710</u>	<u>7,628,374</u>

Movements:

Restricted reserves

Opening balance	7,628,374	3,869,449
Transfer to retained operating surplus (restricted expenses)	(4,560,878)	(3,297,250)
Transfer from retained operating surplus (restricted income)	7,373,214	7,056,175
Balance at 30 June	<u>10,440,710</u>	<u>7,628,374</u>

Sustainability reserve

Opening balance	-	-
Transfer from retained operating surplus	2,000,000	-
Balance 30 June	<u>2,000,000</u>	<u>-</u>

The Foundation established a Sustainability Reserve Fund from surpluses of previous years. The primary purpose of this reserve is to maintain operations should revenue materially fall below the level projected in the financial plan.

(b) Retained operating surplus

Movements in retained operating surplus were as follows:

	2023	2022
	\$	\$
Balance at 1 July	2,015,653	1,410,366
Net operating surplus for the year	3,490,624	4,364,212
Transfer from retained operating surplus (restricted income)	(7,373,214)	(7,056,175)
Transfer to retained operating surplus (restricted expenses)	4,560,878	3,297,250
Transfer to retained sustainability reserve	(2,000,000)	-
Balance at 30 June	<u>693,941</u>	<u>2,015,653</u>

15 Restricted reserves

Income received for projects is considered to be restricted income for delivery of project objectives detailed in the funding agreements. In some cases the timing for receipt of funding does not align with expenditures in the same financial year impacting the movement of reserve funds balance. Over the long term, the position is neutral on the basis that all restricted funds received are fully expended.

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

	2023	2022
	\$	\$
<i>Funds recognised as restricted reserves:</i>		
Bequest	150,000	150,000
Reef Islands Initiative	2,741,659	2,438,668
Other programs	7,549,051	5,039,706
	10,440,710	7,628,374

16 Contingent liabilities

The Foundation had bank guarantees at 30 June 2023 of \$775,478 (2022: \$675,478). 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:

	2023	2022
	\$	\$
<i>Reef Trust Partnership projects commitments:</i>		
Within one year	83,191,936	92,398,667
Later than one year but not later than five years	6,285,418	54,041,593
	89,477,354	146,440,260
<i>Resilient Reefs projects commitments:</i>		
Within one year	57,170	174,768
Later than one year but not later than five years	-	241,683
	57,170	416,451
<i>Other projects commitments:</i>		
Within one year	852,969	85,699
Later than one year but not later than five years	675,141	-
	1,528,110	85,699

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

	2023	2022
	\$	\$
Key management personnel compensation	1,029,934	970,006

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:

	2023	2022
	\$	\$
Amounts recognised as revenue		
Grants and donations received	109,143	113,185

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

	2023	2022
	\$	\$
Audit of financial statements and other reporting requirements	70,000	61,750

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 2022 to 30 June 2023.

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

	1 Jul 2022 to 30 Jun 2023	1 Jul 2021 to 30 Jun 2022
	\$	\$
Revenue	112,977,693	86,826,322
Expenses		
Component 1 - Administrative Activities	(7,188,514)	(6,843,001)
Component 2 - Water Quality Activities	(48,276,177)	(31,677,124)
Component 3 - Crown of Thorns Starfish Control Activities	(7,044,376)	(10,378,135)
Component 4 - Reef Restoration and Adaptation Science Activities	(33,503,271)	(25,522,114)
Component 5 - Indigenous and Community Reef Protection Activities	(8,088,986)	(5,605,471)
Component 6 - Integrated Monitoring and Reporting Activities	(8,876,369)	(6,800,477)
Total expenses	(112,977,693)	(86,826,322)
Operating surplus for the year	-	-

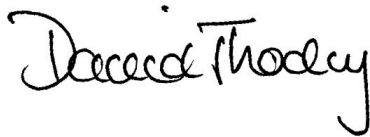
(b) Statement of financial position

	2023	2022
	\$	\$
Current assets	161,533,319	196,422,380
Non-current assets	228,940	79,056,528
	161,762,259	275,478,908
Current liabilities	(107,324,467)	(144,178,255)
Non-current liabilities	(54,437,792)	(131,300,653)
	(161,762,259)	(275,478,908)
Net assets	-	-

In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 31 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 2023 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
Co-Chair



Dr Martin Parkinson AC PSM
Co-Chair



Anna Marsden
Managing Director

Brisbane
1 November 2023



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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 2023, 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 2023 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.



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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 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 black ink that reads 'Ernst & Young'.

Ernst & Young

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

Brad Tozer
Partner
Brisbane
01 November 2023