

Lizard Island Reef Research Foundation
ABN 51 856 560 421

Annual Report
30 June 2018

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Auditor's Independence Declaration

As lead auditor for the audit of Lizard Island Reef Research Foundation for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Manoj Santiago', is written over a light grey circular stamp.

Manoj Santiago
Partner
PricewaterhouseCoopers

Sydney
18 January 2019

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Lizard Island Reef Research Foundation
Statement of financial position
as at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	4	104,917.17	109,076.02
Other receivables	5	577,952.64	1,536,582.41
Total current assets		<u>682,869.81</u>	<u>1,645,658.43</u>
Non-current assets			
Maple-Brown Abbott Australian Equity Trust		2,941,800.40	1,443,259.11
		<u>2,941,800.40</u>	<u>1,443,259.11</u>
Total assets		<u>3,624,670.21</u>	<u>3,088,917.54</u>
Liabilities			
Income received in advance	6	110,000.00	231,598.00
Total current liabilities		<u>110,000.00</u>	<u>231,598.00</u>
Income received in advance	6	112,699.00	173,114.00
Total non-current liabilities		<u>112,699.00</u>	<u>173,114.00</u>
Total liabilities		<u>222,699.00</u>	<u>404,712.00</u>
Net assets		<u><u>3,401,971.21</u></u>	<u><u>2,684,205.54</u></u>
Total trust funds		<u><u>3,401,971.21</u></u>	<u><u>2,684,205.54</u></u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 8 to 18

Lizard Island Reef Research Foundation
Statement of profit or loss and other comprehensive income
for the year ended 30 June 2018

	Note	2018	2017
		\$	\$
Revenue			
Donations members		492,163.59	490,982.70
Donations fellowships		91,068.43	45,077.00
Donations other		0.00	15,000.00
Bequests		357,254.22	0.00
Annual dinner - Sydney		0.00	15,810.00
Interest		38,852.38	51,795.51
Distributions Maple-Brown Abbott		234,528.15	86,645.54
		<u>1,213,866.77</u>	<u>705,310.75</u>
Expenses			
Audit and accountancy fees		0.00	15,000.00
Bank charges		1,210.09	2,196.77
Annual dinner - Sydney		4,924.09	16,401.91
Annual dinner - Melbourne		9,689.09	7,360.45
True North event		0.00	1,545.45
Lizard Island Research Station update event		0.00	4,251.33
Other expenses		1,746.45	1,751.40
Research expenses	7	0.00	61,025.22
Payments to the Australian Museum for research & research fellowships	8	514,432.00	269,472.00
		<u>532,001.72</u>	<u>379,004.53</u>
Surplus for the year		681,865.05	326,306.22
Other comprehensive income			
Maple-Brown Abbott revaluation	9	35,900.62	159,740.19
Total comprehensive income		<u><u>717,765.67</u></u>	<u><u>486,046.41</u></u>

The statement of profit or loss and other comprehensive income are to be read in conjunction with the notes to the financial statements set out on pages 8 to 18.

**Lizard Island Reef Research Foundation
Statement of changes in trust funds
for the year ended 30 June 2018**

	Note	2018	2017
			\$
Accumulated funds at beginning of the year		2,684,205.54	2,177,505.02
Surplus for the year		681,865.05	326,306.22
Maple-Brown Abbott revaluation		35,900.62	180,394.30
Accumulated funds at end of the year		<u><u>3,401,971.21</u></u>	<u><u>2,684,205.54</u></u>

The statement of changes in trust funds are to be read in conjunction with the notes to the financial statements set out on pages 8 to 18.

Lizard Island Reef Research Foundation
Statement of cash flows
for the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Cash receipts in the course of operations		758,473.24	522,456.70
Cash payments to suppliers		2,306.98	(128,907.09)
Payments to the Australian Museum for research & research fellowships		(514,432.00)	(269,472.00)
Net cash inflow from operating activities		<u>246,348.22</u>	<u>124,077.61</u>
Cash flows from investing activities			
Investments in term deposits		938,753.07	(196,936.30)
Investments in Maple-Brown Abbott		(1,462,640.67)	(58,062.12)
Interest received		38,852.38	51,795.51
Distributions Maple-Brown Abbott		234,528.15	86,645.54
Net cash outflow from investing activities		<u>(250,507.07)</u>	<u>(116,557.37)</u>
Increase/(decrease) in cash and cash equivalents		(4,158.85)	7,520.24
Cash and cash equivalents at 1 July		109,076.02	101,555.78
Cash and cash equivalents at 30 June	4	<u><u>104,917.17</u></u>	<u><u>109,076.02</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 8 to 18.

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 1 - Reporting entity

Lizard Island Reef Research Foundation (“the Foundation”) is a Trust domiciled in Australia. The Foundation maintains its office C/- Lizard Island Reef Research Foundation, 1 William Street, Sydney NSW 2010. The Foundation is a not-for-profit organisation that supports coral reef research at the Lizard Island Research Station and elsewhere on the Great Barrier Reef by promoting and helping to sustain the activities and operations conducted for the purposes of this research.

NOTE 2 - Basis of preparation

a) Statement of compliance

The financial statements of the Foundation are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) adopted by the Australian Accounting Standards Board and the Australian Charities and Not-for-profit Commission (ACNC) Act 2012. The financial report of the Foundation does not comply with International Financial Reporting Standards (IFRS) as the Foundation has adopted the exemptions allowed for not-for-profit organisations under AASB101 “Presentation of Financial Statements”.

The financial statements were approved by the Trustees on

b) Basis of preparation

The financial statements are prepared on the historical cost basis.

c) Functional currency

The financial statements are presented in Australian dollars which are the Foundation’s functional currency.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no judgements made by the trustees in the application of Australian Accounting Standards that have significant effect on the financial report of estimates with a significant risk of material misstatement in the next year.

e) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 Financial Instruments:

While the group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale (AFS) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 3 - Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Financial instruments

Non-derivative financial instruments

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Receivables consist predominately of current and non-current term deposits with banks.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, call deposits with banks and other short term, highly liquid investments with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Foundation in the management of its short-term commitments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses.

When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss. Available-for-sale financial assets comprise the Foundation's unit holdings in Maple-Brown Abbott Australian Equities Trust, an unlisted managed fund.

b) Fair value measurement

When measuring the fair value of an asset or a liability, the Foundation uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 3 - Significant accounting policies (continued)

c) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

d) Revenue

Donations

The Foundation is a not-for-profit organisation and receives significant income from donations. Donations are recognised as they are received or, where special terms and conditions are attached to these, in accordance with those terms and conditions.

Grants

Certain funding comprises grants for specific purposes. Some Lizard Island research programs are supported by grants received from The Ian Potter Foundation. Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the Foundation obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Foundation and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant will be deferred until those conditions are satisfied. When grant revenue is received whereby the Foundation incurs an obligation to deliver economic value directly back to the contributor, including the return of unspent funds, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Membership

Membership revenue is recognised as revenue when there is no significant uncertainty as to its collectability.

Finance income

Finance income comprises interest income on funds invested and is recognised on a cash basis taking into account the interest rates relevant to the financial assets.

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 3 - Significant accounting policies (continued)

e) Taxation

The Foundation is an exempt charitable body for income tax purposes within the provisions of Section 50-5 of the Income Tax Assessment Act 1997. The Foundation was granted Deductible Gift Recipient status by the Australian Taxation Office from 1 July 2000.

f) Committed funds

Unconditional committed funds are recognised and measured at amortised cost using the effective interest rate method.

g) Research expenses

These represent payments for marine research carried on at or in the vicinity of Lizard Island in accordance with the objectives of the Foundation's Trust Deed.

h) Transfers to the Australian Museum for the Lizard Island Research Station

These represent payments by the Foundation for research at and in the vicinity of Lizard Island Research Station and elsewhere on the Great Barrier Reef, in accordance with the objectives of the Trust Deed.

	2018	2017
	\$	\$
NOTE 4 - Cash and cash equivalents		
Westpac cheque account	50,193.58	33,956.29
Westpac Business Cash Reserve account	54,723.59	75,119.73
	<u>104,917.17</u>	<u>109,076.02</u>

NOTE 5 - Other receivables

Current

Term deposits	527,208.36	1,465,961.43
Interest receivable	5,860.28	24,337.28
GST receivable	1,696.00	1,606.18
Other receivables	43,188.00	44,677.52
	<u>577,952.64</u>	<u>1,536,582.41</u>

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

	2018	2017
	\$	\$
NOTE 6 - Income received in advance		
Current		
Grant for research on Crown of Thorns Starfish	100,000.00	100,000.00
Grant for doctoral fellowships	10,000.00	36,903.00
Grant for research facilities	0.00	94,695.00
Non-current		
Grant for research on Crown of Thorns Starfish	112,699.00	173,114.00
	<u>222,699.00</u>	<u>404,712.00</u>

NOTE 7 - Research expenses

Satellite tags for tracking marlin	0.00	61,025.22
	<u>0.00</u>	<u>61,025.22</u>

Satellite tags for tracking marlin

This funded the purchase of satellite tags for marlin tagged and released in the vicinity of Lizard Island. The oceans have been denuded of most of their big fish and this has major impacts on the marine ecosystems. It is important to understand the movements of these fish so that we can best work to preserve them. These satellite tags record details of the marlin's movements for several months and then detach and surface to transmit all data to a central database via satellite. No payments were made in 2018 as suitable tags were not available.

	2018	2017
	\$	\$
NOTE 8 - Payments to the Australian Museum (related party)		
Research at Lizard Island Research Station and elsewhere on the Great Barrier Reef	314,717.00	79,627.00
Research fellowships and grants	199,715.00	189,845.00
	<u>514,432.00</u>	<u>269,472.00</u>

The payments to the Australian Museum are for scientific research, principally conducted at Lizard Island Research Station or in the vicinity of Lizard Island. Grants for research on Crown of Thorns Starfish (COTS) cover activities at Lizard Island Research Station and elsewhere on the Great Barrier Reef where there are significant numbers of COTS.

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

	2018	2017
	\$	\$
NOTE 9 - Maple-Brown Abbott		
Non-current		
Available for sale securities	<u>2,941,800.40</u>	<u>1,443,259.11</u>
	<u>2,941,800.40</u>	<u>1,443,259.11</u>

Maple-Brown Abbott Australian Equity Trust is measured at fair value and is classified as available for sale investments. Units of the Maple-Brown Abbott Australian Equity Trust held by the Foundation during the financial year generated \$234,528.15 in distribution income.

The investment manager supervises, monitors and evaluates investments in accordance with the Foundation's investment policy.

Original cost of investment	2,550,929.68	1,225,456.80
Revaluation recognised in reserves	0.00	0.00
Revaluation recognised in other comprehensive income	195,640.81	159,740.19
Distributions reinvested into the Fund	<u>195,229.91</u>	<u>58,062.12</u>
	<u>2,941,800.40</u>	<u>1,443,259.11</u>

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 10 – Financial instruments – fair values and risk management

	Note	Loans & receivables \$	Available for sale \$	Total \$	
Year 2018					
Financial assets measured at fair value					
Maple-Brown Abbott units	10	0.00	2,941,800.40	2,941,800.40	Level 1
Total		0.00	2,941,800.40	2,941,800.40	
Financial assets not measured at fair value					
Current term deposits	5	527,208.36	0.00	527,208.36	
Non-current term deposits	5	0.00	0.00	0.00	
Interest receivable	5	5,860.28	0.00	5,860.28	
GST receivable	5	1,696.00	0.00	1,696.00	
Other receivables	5	43,188.00	0.00	43,188.00	
Cash & cash equivalents	4	104,917.17	0.00	104,917.17	
		682,869.81	0.00	682,869.81	
Year 2017					
Financial assets measured at fair value					
Maple-Brown Abbott units	10	0.00	1,443,259.11	1,443,259.11	Level 1
Total		0.00	1,443,259.11	1,443,259.11	
Financial assets not measured at fair value					
Current term deposits	5	1,465,961.43	0.00	1,465,961.43	
Non-current term deposits	5	0.00	0.00	0.00	
Interest receivable	5	24,337.28	0.00	24,337.28	
GST receivable	5	1,606.18	0.00	1,606.18	
Other receivables	5	44,677.52	0.00	44,677.52	
Cash & cash equivalents	4	109,076.02	0.00	109,076.02	
		1,645,658.43	0.00	1,645,658.43	

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

a) Financial risk management

The Foundation has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

See below for notes on each of these risks.

Risk management framework

The Trustees have overall responsibility for the establishment and oversight of the Foundation's risk management framework.

Credit risk

Credit risk is the financial loss to the Foundation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Foundation held term deposits of \$527,208.36 as at 30 June 2018. The term deposits are held with Westpac Banking Corporation.

Cash and cash equivalents

The Foundation held cash and cash equivalents of \$104,917.17 as at 30 June 2018. The cash and cash equivalents are held with Westpac Banking Corporation.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities. The Foundation's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Foundation's reputation.

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

Market risk

Market risk is the risk that changes in market prices – interest rates and equity prices – will affect the Foundation’s income or the value of its holdings of financial instruments. The objective of Audit and Risk Committee is to manage and control market risk exposures within acceptable parameters, while optimising the return.

	Fixed return financial instruments \$	Variable return financial instruments \$	Carrying value as at 30 June \$
Year 2018			
Current term deposits	527,208.36	0.00	527,208.36
Non-current term deposits	0.00	0.00	0.00
Maple-Brown Abbott units	0.00	2,941,800.40	2,941,800.40
Total	<u>527,208.36</u>	<u>2,941,800.40</u>	<u>3,469,008.76</u>
Year 2017			
Current term deposits	1,465,961.43	0.00	1,465,961.43
Non-current term deposits	0.00	0.00	0.00
Maple-Brown Abbott units	0.00	1,443,259.11	1,443,259.11
Total	<u>1,465,961.43</u>	<u>1,443,259.11</u>	<u>2,909,220.54</u>

Investment returns from cash and cash equivalents and term deposits are shown as “interest” in the Statement of Profit or Loss and Other Comprehensive Income.

Investment returns from Maple-Brown Abbott are shown as “Distributions Maple-Brown Abbott” in the Statement of Profit or Loss and Other Comprehensive Income.

**Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018**

NOTE 11 - Key management personnel and related parties

The following were key management personnel of the Foundation at any time during the reporting period, and unless otherwise indicated were key management personnel for the entire period:

Trustee (collectively)

Dr. Penny Berents **	Mrs. Wendy King (appointed 3/8/2017)
Mr. David Armstrong *	Mr. James Kirby
Mrs. Greer Banyer (appointed 10/5/2018)	Prof. Lynne Madden
Mr. Jim Bildner (Emeritus from 10/5/2018)	Ms. Kim McKay AO **
Mr. Kenneth Coles AM (Emeritus from 7/5/2015)	Mrs. Heather Power
Ms. Belinda Gibson *	Mr. Robert Purves AM
Dr. Ronnie Harding	Mr. David Shannon (Chairman)
Ms. Kate Hayward	Mr. Graham Sherry OAM
Mr. Chris Joscelyne	Mr. Charles Shuetrim AM
Mr. Vivian King (resigned 3/8/2017)	Ms. Helen Wellings

* Australian Museum Trust representative on the LIRRF Board

** Staff member of the Australian Museum

Transactions with key management personnel

The Trustee did not receive any remuneration or superannuation benefits during the year from the Foundation.

Other transactions with the Foundation

The Trustee has not entered into a material contract with the Foundation during the year ended 30 June 2018 and there were no material contracts involving Trustee's interests subsisting at reporting date.

NOTE 12 - Subsequent events

There have been no events subsequent to the balance date which would have a material effect on the Foundation's financial statements as at 30 June 2018. There has been a decline in the redemption price of Maple-Brown Abbott units as at 17 January 2019 to the effect of \$250,964.

Lizard Island Reef Research Foundation
Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 13 - Results of fundraising appeals

The Foundation received donations from members, corporate organisations, charitable trusts and the general public during the year. In addition to the donations, fundraising appeals held each year include the Annual Dinner in Sydney and the Annual Lunch in Melbourne. The information below is supplied to meet the requirements of the Charitable Fundraising (NSW) Act 1991 and Regulations under the Act.

	2018		2017
	\$		\$
Gross proceeds from fundraising appeals	583,232.02		566,869.70
Less direct costs of fundraising appeals	<u>(14,613.18)</u>		<u>(29,559.14)</u>
Net surplus obtained from fundraising appeals	<u>568,618.84</u>		<u>537,310.56</u>
Operating expenses	<u>2,956.54</u>		<u>18,948.17</u>
Surplus arising from fundraising appeals	<u>565,662.30</u>		<u>518,362.39</u>

The surplus from the fundraising appeals has been applied to the charitable purpose of the Foundation:

- a) by paying the amount of \$514,432 to the Australian Museum for the purpose of research and research fellowships at Lizard Island Research Station (2017 \$269,472);
- b) by spending \$nil on research expenses (2017 \$61,025); and
- c) by retaining the balance of \$51,230 (2017 \$187,865) on trust to fund future scientific research in accordance with the Foundation's Trust Deed.

	2018		2017	
	\$		\$	
Total cost of fundraising /	14,613.18	2.5%	29,559.14	5.2%
Gross income from fundraising	583,232.02		566,869.70	
Net surplus from fundraising /	568,618.84	97.5%	537,310.56	94.8%
Gross income from fundraising	583,232.02		566,869.70	
Transfers to Aust Museum + research expense/	514,432.00	96.7%	330,497.22	87.2%
Total expenditure	532,001.72		379,004.53	
Transfers to Aust Museum + research expense/	514,432.00	42.4%	330,497.22	46.9%
Total income received	1,213,866.77		705,310.75	

Lizard Island Reef Research Foundation

Declaration by Trustee in respect of fundraising appeals

I, Charles Shuetrim, Trustee of the Lizard Island Reef Research Foundation, declare that in my opinion:

- a) The financial statements give a true and fair view of all income and expenditure of the Foundation with respect to fundraising appeal activities for the financial year ended 30 June 2018;
- b) The statement of financial position gives a true and fair view of the state of affairs of the Foundation with respect to fundraising appeal activities as at 30 June 2018;
- c) The provisions of the Charitable Fundraising (NSW) Act 1991 and Regulations under the Act and the conditions attached to the authority have been complied with during the year ended 30 June 2018; and
- d) The internal controls exercised by the Foundation are appropriate and effective in accounting for all income received and applied by the Trust from any of its fundraising appeals.

Dated at Sydney this 18th day of January 2019

Signed in accordance with a resolution of the Trustees of the Lizard Island Reef Research Foundation

A handwritten signature in black ink, appearing to be 'C. Shuetrim', written in a cursive style.

Charles Shuetrim
Trustee

Lizard Island Reef Research Foundation

Trustees' Declaration

In the opinion of the Trustees of the Lizard Island Reef Research Foundation ("the Foundation"):

- (a) the financial statements and notes that are set out on pages 4 to 18 are in accordance with the Terms of the Trust Deed and the Australian Charities and Not-for-profits Commission Act 2012 including:
- (i) giving a true and fair view of the Foundation's financial position as at 30 June 2018 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; 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.

Dated at Sydney this 18th day of January 2019

Signed in accordance with a resolution of the Trustees of the Lizard Island Reef Research Foundation



Kate Hayward
Chair



Charles Shuetrim
Trustee



Independent auditor's report

To the trustees of Lizard Island Reef Research Foundation

Our opinion

In our opinion:

The accompanying financial report of Lizard Island Reef Research Foundation (the Trust) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Trust's financial position as at 30 June 2018 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2018
- the statement of changes in trust funds for the year then ended
- the statement of cash flows for the year then ended
- the statement of profit or loss and other comprehensive income for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the declaration of the Trustees.

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

Independence

We are independent of the Trust in accordance with 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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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 on the other information that we obtained prior to the date of this auditor's report, 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 Trustees for the financial report

The Trustees of the Trust 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 (ACNC) Act 2012* and for such internal control as the Trustees 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 Trustees are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.


PricewaterhouseCoopers
Manoj Santiago
Partner

Sydney
18 January 2019