



Annual Financial Report

Beacon Foundation

ABN 42 129 090 464

31 December 2020



Directors' Report

Beacon Foundation

For the 18 month period ended 31 December 2020

The Directors present their report together with the special purpose financial report of Beacon Foundation (the Company) for the 18 month period ended 31 December 2020 and the auditors' report thereon.

The period covered by this report for 2020 is for the 18-month period ending on 31 December 2020. This decision was made to better align our financial reporting with our Operations given the focus on schools and their calendar year planning. The 2019 comparative period is for the 12 months ending on 30 June 2019.

DIRECTORS

The Directors in office at any time during or since the end of the financial year to the date of this report are:

Director Name	Term
Scott Harris	Director for whole year
Jane Hewitt	Director for whole year
Matthew Beach	Director for whole year
Jeremy Bolt	Director for whole year
Sarah Williams Hart	Director for whole year
Nikki Blundell Dawson	Director for whole year

Scott Harris - Director since 4 January 2008. Qualifications and experience: Scott Harris has held the position of Chief Executive with Beacon since 1999. Prior to joining Beacon, Scott had a successful career in sales and management in Tasmania and Victoria. In July 2007, Scott was awarded a scholarship for excellence in social venture, leadership and management to attend Harvard Business School.

Jane Hewitt - Jane was appointed Non-Executive Director of Beacon in 2014 and the Non-Executive Chair in 2017.

Jane has over 27 years experience in real estate development and asset management. She founded UniLodge in 1996 and pioneered the corporatisation and professional development and management of student accommodation facilities on and off University campuses in Australia and New Zealand.

As an entrepreneur and founder Jane has extensive operational experience and a strong track record in developing successful partnerships in real estate and business ventures. She developed UniLodge into an operation with assets of approximately \$1billion.

Jane currently serves as a Non-Executive Director on the Board of Mirvac. She previously served as a Non-Executive Director of SGCH Community Housing. She has worked with Social Ventures Australia and is founding member of the Sydney Business Alliance to End Homelessness.

Matthew Beach - Director since 9 November 2015. Chairman of the Audit & Risk Committee. Qualifications and experience: After completing a Bachelor of Commerce, majoring in Accounting and Finance, at the University of NSW, Matthew joined KPMG. During his years at KPMG Matthew studied to become a Chartered Accountant. Since leaving KPMG Matthew has worked as a CEO and CFO, and has acquired, grown and sold businesses across a range of industries, both domestically and internationally. Matthew Beach is now a partner at M.H. Carnegie & Co., a leading private equity and alternative asset manager.

Jeremy David Bolt - Director since 20 November 2017. Jeremy has over 20 years' experience which includes roles such as Deloitte Partner, Founder, CEO and Director. Jeremy holds a Bachelor of Commerce and H.Dip.Acc from Rhodes University, and is the CEO of Hearts & Science in Australia.

Sarah Williams Hart - Director since 16 February 2018. Sarah has worked as a lawyer since 2005, working first in Sydney and then in London for a number of years before returning to Sydney. She is currently working at the Commonwealth Bank of Australia as a Managing Counsel. During her career, Sarah has worked on market leading insolvency and restructuring transactions involving both domestic and international companies and is seen as a trusted adviser to her clients that range from domestic to off shore funds and institutions to insolvency practitioners and institutional lenders. Sarah holds a Bachelor of Commerce and Law (Honours) from the University of Sydney.

Nikki Blundell Dawson - Director since 27 July 2018. Nikki was born in Sydney's western suburbs, moving to Hong Kong when she was 10. Upon returning to Australia at age 16, she finished school at Everton Park State High (a former Beacon school). Nikki has a B.Econ (Hons) from the University of Queensland and an MBA from the Australian Graduate School of Management in Sydney. After starting as a graduate economist with the Reserve Bank of Australia, most of Nikki's subsequent career has been spent in professional services, including CS First Boston, McKinsey & Company in Sydney, London and San Francisco, and more recently as a consultant with Egon Zehnder in Sydney, where she has been for over 16 years. Nikki has been working pro bono with Beacon for over ten years, helping with professional development matters. She is also the CEO of The Katrina Dawson Foundation, a non-profit focused on 'finding, funding [education] and mentoring inspiring young women.'

Directors' Report

Beacon Foundation

For the 18 month period ended 31 December 2020

DIRECTORS' MEETINGS

During the 18-month period ended 31 December 2020, 7 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Scott Harris	7	7
Jane Hewitt	7	7
Matthew Beach	7	7
Jeremy Bolt	7	6
Sarah Williams Hart	7	7
Nikki Blundell Dawson	7	7

REVIEW OF OPERATIONS

The surplus of the Company was \$1,542,360 (2019: deficit of \$457,856). The Company is exempt from income tax in Australia in accordance with Division 50 of the Income Tax Assessment Act 1997.

PRINCIPAL ACTIVITIES

The principal activities of the Company are focused on working with schools and industry nationally to deliver programs designed to help young people develop their awareness, connections and capabilities needed to seek and access workforce opportunities.

SHORT AND MEDIUM TERM OBJECTIVES

The principle activities of the Company are focused on working with schools, their communities, businesses and industry, locally and nationally, to deliver programs and initiatives designed to help young people develop their awareness, connections and capabilities needed to transition to meaningful employment after education.

Like many organisations during the pandemic, Beacon Foundation saw it necessary to revisit its strategy to ensure it was able to maintain its long-term commitment to the young people and communities in which it operated, through ensuring organisational sustainability. To this end Beacon Foundation has committed to the following:

1. Developed an 18-month tactical plan to ensure delivery against existing contractual obligations.
2. Accelerate the work of Beacon Programs & Services and Collective ed. with a heightened emphasis on research, development and evaluation. This has been particularly important as we enter our fifth and final year of the Collective ed. project with the goal of bringing together learnings from Collective ed. with our long-term track record in Programs & Services to deliver even more relevant and impactful opportunities for young people.
3. To develop a future strategic direction for the organisation (outside the 18-month tactical plan) that ensures it creates the greatest, most evidence-based impact for Australia's disadvantaged youth.

MEMBERS' GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member irrespective of class is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. At 31 December 2020 the number of members was 6 (2019: 6).

EVENTS SUBSEQUENT TO BALANCE DATE

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

LIKELY DEVELOPMENTS

The Company intends to continue to develop its operations in the future within the principal activities as disclosed in this report.

Directors' Report

Beacon Foundation

For the 18 month period ended 31 December 2020

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has paid insurance premiums in respect of Directors' and Officers' liability. The insured persons under those policies are defined as all the Directors named in this Report, executive officers and any employees who may be deemed to be officers (for the purposes of the *Corporations Act 2001*), the company secretary and former Directors and Officers. The terms of the insurance policy prohibit disclosure of the total amount of the premiums and the nature of the liabilities covered.

The Company has not provided any indemnification from any claims by third parties to the Auditors.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-C OF THE AUSTRALIAN CHARITIES NOT-FOR-PROFITS COMMISSION ACT 2012

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' Report for the period ended 31 December 2020

Dated at Hobart, this 14th day of April 2021.

Signed in accordance with a resolution of Directors:



Jane Hewitt
Chairperson



Scott Harris
Director

14 April 2021

The Board of Directors
Beacon Foundation
Level 1, 40 Molle St
Hobart TAS 7000

Dear Board Members

Beacon Foundation

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-Profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the members of Beacon Foundation.

As lead audit partner for the audit of the financial statements of Beacon Foundation for the 18 month period ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



S Dare
Partner
Chartered Accountants

Statement of Comprehensive Income

Beacon Foundation

For the 18 month period ended 31 December 2020

	Note	2020 \$	2019 \$
Revenue from sponsorships, grants and fees		8,088,498	5,097,783
Donations - individuals		56,219	376,269
Finance income - interest		42,858	70,662
Other income	2	929,168	1,882
Total revenue and other income		9,116,742	5,546,595
Administration costs		271,947	284,814
Consultant and contractor fees		1,767,196	636,571
Depreciation & Amortisation	3	183,403	51,176
Grants		65,000	108,286
Interest on lease		9,611	-
Personnel costs	4	5,135,090	4,696,512
Program costs		10,333	51,827
Travel and accommodation		131,803	175,266
Total expenses		7,574,382	6,004,452
Accumulated Surplus / (Deficit) for the period attributable to the members		1,542,360	(457,856)
Other comprehensive income		-	-
Total comprehensive income		1,542,360	(457,856)

Statement of Financial Position

Beacon Foundation

As at 31 December 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	5	4,149,579	3,737,194
Trade and other receivables	6	1,249,268	630,162
Total current assets		5,398,847	4,367,356
Non-current assets			
Plant & equipment	7	85,365	113,226
Intangible assets	8	74,883	-
Right of use asset	9	114,088	-
Total non-current assets		274,337	113,226
TOTAL ASSETS		5,673,184	4,480,583
Current liabilities			
Trade and other payables	10	352,080	313,636
Unearned revenue		463,657	968,057
Contract & other liabilities	11	141,384	-
Employee benefits	12	289,082	492,949
Lease liability	9	70,959	-
Total current liabilities		1,317,162	1,774,642
Non-current liabilities			
Employee benefits	12	97,544	38,623
Lease liability	9	48,800	-
Total non-current liabilities		146,344	38,623
TOTAL LIABILITIES		1,463,506	1,813,265
NET ASSETS		4,209,677	2,667,317
Equity			
Accumulated surplus		3,799,609	2,266,558
Beacon Perpetual Fund Reserve		410,068	400,760
TOTAL EQUITY		4,209,677	2,667,317

Statement of Changes in Equity

Beacon Foundation

For the 18 month period ended 31 December 2020

	Note	2020 \$	2019 \$
Accumulated (Deficit) / Surplus			
Opening balance at 1 July		2,266,558	2,735,898
(Deficit) / Surplus for the period		1,542,360	(457,856)
Transfer to Beacon Perpetual Fund Reserve		(9,308)	(11,484)
Closing balance at 31 December (2019: 30 June)		<u>3,799,609</u>	<u>2,266,558</u>
Beacon Perpetual Fund Reserve			
Opening balance at 1 July		400,760	389,276
Transferred from accumulated (Deficit) / Surplus		9,308	11,484
Closing balance at 31 December (2019: 30 June)		<u>410,068</u>	<u>400,760</u>
Total Equity		<u>4,209,677</u>	<u>2,667,317</u>

The Beacon Perpetual Fund Reserve was set up as a prudent action to offset any potential future negative financial situations. This action was taken after consultation with all key stakeholders. A separate bank account is maintained to hold these funds (Westpac term deposit). Refer note 5.

Statement of Cash Flows

Beacon Foundation

For the 18 month period ended 31 December 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Cash receipts in the course of operations		8,161,489	5,534,634
Cash payments in the course of operations		(7,718,171)	(5,798,673)
Interest received		43,336	78,445
Net cash provided by/(used in) operating activities	13	486,654	(185,594)
Cash flows from investing activities			
Purchase of property, plant and equipment		(46,673)	(65,715)
Proceeds from sale of property, plant and equipment		-	30,080
Cash receipts from investing activities		211,974	
Cash payments from investing activities		(70,590)	
Payment for intangible assets		(76,177)	-
Net cash provided by/(used in) investing activities		18,534	(35,635)
Cash flows from financing activities			
Repayment of leasing liabilities		(83,192)	-
Interest paid		(9,611)	-
Net cash provided by/(used in) financing activities		(92,803)	-
Net increase / (decrease) in cash held		412,385	(221,229)
Cash and cash equivalents at the beginning of the financial period		3,737,194	3,958,423
Cash and cash equivalents at the end of the financial period	5	4,149,579	3,737,194

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

1. Statement of significant accounting policies

Beacon Foundation is a Company limited by guarantee incorporated and domiciled in Australia. The address of the Company's registered office is 40 Molle Street, Hobart, Tasmania, 7000. The Company is primarily involved in working with Schools nationally to develop and implement programs to help inspire and motivate students to either stay in school and increase their educational engagement and attainment or choose a positive pathway that enables successful transition to employment, further education or training.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(a) Statement of compliance

In the opinion of the Directors', the Company is not a reporting entity. The financial statements of the Company have been drawn up as a special purpose financial report for distribution to the members and for the purpose of fulfilling the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)*.

At a minimum, preparers of Special Purpose Financial Statements in accordance with this Act are required to comply with the following Australian Accounting Standards:

- AASB 101 - Presentation of Financial Statements
- AASB 107 - Statement of Cash Flows
- AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048 - Interpretation of Standards
- AASB 1054 - Australian Additional Disclosures.

The company has complied with the above Standards and also the basis of accounting specified by the remaining Australian Accounting Standards.

(b) New and Revised Accounting Standards

In the current year, Beacon Foundation has applied all relevant amendments to Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are effective for an annual period that begins on or after 1 July 2019, including AASB15 Revenue from Contracts with Customers, AASB1058 Income of Not-for-Profit Entities and AASB16 Leases. The adoption of the new and revised standard has not had any material impact on the disclosures or on the amounts reported in the financial statements.

New and Revised Accounting Standards and Interpretations on issue but not yet effective:

- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

1. Statement of significant accounting policies (continued)

(c) Basis of preparation

The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars, which is the Company's functional currency. The financial report is prepared on the historical cost basis except where stated, it does not take into account changing money values or current valuations of non-current assets.

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

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

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are revenue recognition - sponsorships grants & fees - refer note 1(d).

The company made the decision to change its reporting period from a financial year to a calendar year basis in order to better align its financial reporting and operations. This change was approved by the Australian Charities and Not-for-profits Commission in December 2019. Consequently the current reporting period covers 18 months from 1 July 2019 to 31 December 2020. The Company has chosen not to restate the FY2019 financial statements to an 18 month period.

(d) Revenue recognition

Revenue from Contracts

Where AASB15 applies to a transaction, sponsorships and grants are recorded as revenue to the extent that the Company has satisfied its performance obligations under the contract.

Revenue from Grants & Donations

AASB1058 applies when the Company acquires an asset (including cash) where the consideration to acquire said asset is either nil or significantly less than its fair value, principally to enable the Company to further its objectives. An assessment is first undertaken to determine whether AASB15 applies to a transaction, or part of a transaction. If AASB15 is assessed as not being applicable, AASB1058 applies. Revenue is recognised under AASB1058 on receipt, except where a grant is received to enable acquisition of non-financial assets in which case it is recognised in accordance with AASB 1058 para.15.

(e) Lease payments

Payments made under leases are apportioned between principal repayments and interest component.

(f) Finance income and expenses

Finance income comprises interest income on funds invested and is recognised in the statement of comprehensive income using the effective interest method.

Finance expenses comprises interest expense on lease and is recognised in the statement of comprehensive income using the incremental borrowing rate.

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

1. Statement of significant accounting policies (continued)

(g) Receivables

Trade and other receivables are stated at their amortised cost less impairment losses. The carrying amounts of the Company's receivables are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of the Company's receivables carried at amortised cost are calculated at the present value of future cash flows, however, these cash flows are not discounted where the receivables have a short duration. Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. All receivables are individually assessed for impairment. An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits and are carried at face value of the amounts deposited with financial institutions.

(i) Income Tax

The Foundation is exempt from Income Tax in accordance with section 50-50 of the *Income Tax Assessment Act 1997*.

(j) Goods and Services Tax

Revenue, 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Trade and other payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30 day terms.

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

1. Statement of significant accounting policies (continued)

(l) Property, plant & equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation

Depreciation is recognised in the statement of comprehensive income on a diminishing value or straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

- Office equipment (owned) 2 - 15 years
- Motor vehicles (owned) 8 years

Residual values, useful lives and depreciation methods are reviewed at each reporting date.

Leased assets

AASB 16 changes how the Company accounts for leases previously classified as operating leases under AASB 17, which were off balance sheet. Applying AASB 16, the Company:

- Recognises right-of-use of assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cashflows. Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136.

(m) Employee benefits

Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as their present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

(n) Comparative amounts

Comparative figures have been adjusted to conform to changes in the presentation for the current financial year where required.

(o) Unearned revenue

Unearned revenue consists of funding received under a contract with a customer to the extent that the Company has not yet satisfied its performance obligations under the contract to enable the revenue to be recognised.

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

1. Statement of significant accounting policies (continued)

(p) Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Any revenue received in relation to intangible assets is assessed in accordance with AASB15 or AASB 1058 as applicable.

During the current period Beacon Foundation has invested in an Enterprise Management System (EMS) utilising the Salesforce platform. Given the implementation methodology employed and the structures established the intangible asset is to be amortised on a straight-line basis over its estimated useful life of 5 years.

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

	2020 \$	2019 \$
2 Other income		
Gain on sale of assets	3,523	1,882
Rent relief	25,545	-
JobKeeper subsidy	800,100	-
Cash flow boost	100,000	-
	<u>929,168</u>	<u>1,882</u>
3 Depreciation & Amortisation		
Motor vehicles	7,718	5,182
Plant and equipment	66,308	45,994
Lease - 40 Molle St	108,084	
Intangibles	1,294	-
	<u>183,403</u>	<u>51,176</u>
4 Personnel costs		
Salaries	4,578,969	4,205,431
Superannuation	436,649	403,876
Workers compensation insurance	39,911	50,030
Other costs (incl. training and development)	79,560	37,175
	<u>5,135,090</u>	<u>4,696,512</u>
5 Cash and cash equivalents		
CBA Business Cheque Account	139,511	103,485
CBA Cash Deposit Account	3,600,000	3,232,950
Westpac Term Deposit	410,068	400,760
Cash and cash equivalents used in the statement of cash flows	<u>4,149,579</u>	<u>3,737,194</u>
6 Trade and other receivables		
Current		
Accrued Revenue	1,077,612	562,500
Trade receivables	79,928	13,200
Prepayments	38,231	16,419
GST receivable	52,827	38,043
Other receivables	670	-
	<u>1,249,268</u>	<u>630,162</u>
7 Plant and equipment		
Office equipment - cost	271,108	227,295
Accumulated depreciation	(220,807)	(158,744)
	<u>50,300</u>	<u>68,552</u>
Renovations - cost	4,311	4,311
Accumulated depreciation	(2,419)	(526)
	<u>1,893</u>	<u>3,786</u>
Motor vehicles - cost	40,973	40,973
Accumulated depreciation	(7,802)	(84)
	<u>33,172</u>	<u>40,889</u>
Total property, plant and equipment	<u>85,365</u>	<u>113,226</u>

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

	2020	2019
	\$	\$
8 Intangibles		
Internally developed software	76,177	-
Accumulated amortisation	<u>(1,294)</u>	<u>-</u>
	<u>74,883</u>	<u>-</u>
9 Right of use asset		
Lease - 40 Molle Street	222,172	-
Accumulated depreciation	<u>(108,084)</u>	<u>-</u>
	<u>114,088</u>	<u>-</u>
Lease liability		
Lease - 40 Molle Street		
Current	70,959	-
Non-current	<u>48,800</u>	<u>-</u>
	<u>119,759</u>	<u>-</u>
10 Trade and other payables		
Current		
PAYG withholding	59,010	46,181
Other creditors	1,357	-
Trade payables and accruals	<u>291,713</u>	<u>267,454</u>
	<u>352,080</u>	<u>313,636</u>
11 Contract and other liabilities		
EMS grant	211,974	-
Funds utilised as at end of year	<u>(70,590)</u>	<u>-</u>
	<u>141,384</u>	<u>-</u>
12 Employee benefits		
Current		
Accrued wages	-	118,707
Annual leave	144,966	185,283
Long service leave	113,780	119,010
Provision for redundancies	-	42,784
Superannuation Owing	<u>30,337</u>	<u>27,165</u>
	<u>289,082</u>	<u>492,949</u>
Non-Current		
Long service leave	<u>97,544</u>	<u>38,623</u>
	<u>97,544</u>	<u>38,623</u>

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

	2020	2019
	\$	\$

13 Notes to the Statement of Cash Flows

Reconciliation of operating surplus / (deficit) to net cash flows from operating activities

Operating (deficit) / surplus	1,542,360	(457,856)
Add / (Less) non cash and non-operating items		
Investing Activity receipts	(211,974)	-
Unwinding of Financial Liability on Capital Grant per AASB 1058	70,590	-
Lease Liability	92,803	
Depreciation & Amortisation	183,403	51,176
(Profit) / Loss on sale of property, plant and equipment	510	(1,802)
Changes in assets and liabilities		
Increase in trade and other payables	38,444	132,498
(Increase) in Right of Use Asset	(222,172)	-
Increase in Lease Liability	119,759	-
Decrease / (Increase) in trade and other receivables	(619,106)	131,975
(Decrease) in employee benefits provisions	(144,947)	(4,652)
(Decrease) in unearned revenue	(504,399)	(36,932)
Increase in Contract Liabilities	141,384	-
Net cash flow from operating activities	<u>486,654</u>	<u>(185,594)</u>

14 Goods in kind

Beacon Foundation has received goods in kind from corporate partners, which have not been recognised in this financial report. Goods in kind received during the period ended 31 December 2020 consist of the use of office space and general office equipment and supplies, plus pro bono legal support, and complimentary hotel rooms to the approximate value of \$46,233 (2019: \$148,572).

15 Auditors' remuneration

Audit Services		
Amounts for audit and review of financial reports	5,000	-
	<u>5,000</u>	<u>-</u>

The auditor of Beacon Foundation is Deloitte Touche Tohmatsu (2019: Deloitte Touche Tohmatsu).

Notes to the Financial Statements

Beacon Foundation

For the 18 month period ended 31 December 2020

2020
\$

2019
\$

16 Capital Commitments

a. Beacon Foundation does not have any capital expenditure commitments contracted for as at 31 December 2020.

b. Leases

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

Applying AASB 16, for all leases, Beacon Foundation:

- a) Recognises right-of-use of assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- b) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cashflows.

Lease incentives (e.g rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities where under AASB 117 they resulted into the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB136.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), Beacon Foundation has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. These expenses are presented within 'other expenses' in profit or loss.

17 Events After the Balance Sheet Date

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

The outbreak of COVID-19 and the various quarantine measures imposed by the Australian and other governments since early 2020 have caused disruption to businesses and economic activity. As the situation remains fluid (due to evolving changes in government policy and evolving business and funder reactions thereto) as at the date these financial statements are authorised for issue, there is no expected significant impact, due to COVID-19, on the entity's current and future operations.

Directors' Declaration

Beacon Foundation

For the 18 month period ended 31 December 2020

In the opinion of the Directors of Beacon Foundation:

- (a) the Company is not a reporting entity;
- (b) the financial statements and notes, set out on pages 5 to 17, are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2020 and of its performance, as represented by the results of its operations and its cash flows, for the 18 month period ended on that date in accordance with the statement of compliance and basis of preparation described in Note 1; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Hobart, this 14th day of April 2021.

Signed in accordance with a resolution of the directors made pursuant to s.60.15 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.



.....
Jane Hewitt
Chairperson



.....
Scott Harris
Chief Executive Officer

Independent Auditor's Report to the Members of Beacon Foundation

Opinion

We have audited the financial report, being a special purpose financial report, of Beacon Foundation (the "Entity") which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the 18 months period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 31 December 2020 and of its financial performance for the 18 months period then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional & 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's directors' report for the 18 month period ended 31 December 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is

appropriate to meet the requirements of the ACNC Act and the needs of the members. The directors' responsibility also includes 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 ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has 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.

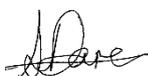
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



S Dare
Partner
Chartered Accountants
Launceston, 14 April 2021