



Annual Financial Report

Beacon Foundation

ABN 42 129 090 464

31 December 2021



Directors' Report

Beacon Foundation

For the year ended 31 December 2021

The Directors present their report together with the special purpose financial report of Beacon Foundation (the Company) for the year ended 31 December 2021 and the auditors' report thereon.

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	Resigned 6 May 2021
Jeremy Bolt	Director for whole year
Sarah Williams Hart	Resigned 12 September 2021
Nikki Blundell Dawson	Director for whole year
Carl Harris	Director since 20 July 2021

Scott Harris - Director since January 2008. 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 - Director since March 2014 and Chairperson since November 2017. Jane has over 28 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 in Australia and New Zealand. As an entrepreneur and founder Jane has extensive operational experience in developing successful partnerships in real estate and business ventures. She developed UniLodge into an operation with assets of approximately \$1billion. Jane has worked with Social Ventures Australia, and currently serves as a Non-Executive Director on the Board of Mirvac and the National Housing Finance Investment Corporation.

Jeremy David Bolt - Director since November 2017. Jeremy comes from a background of professional services, marketing and high growth start-ups. Initially working as a Deloitte partner in the consulting space around technology, digital transformation and outsourcing before moving into digital marketing and e-commerce. Jeremy co-founded one of the largest SEO and digital marketing agencies in Australia in 2007 before becoming Co-CEO of Resolution Digital in 2013 and then CEO of Hearts & Science, an Omnicom advertising agency in 2019. Jeremy is now the Founder of Old Bull Health, a start-up focussing on the health and longevity of men over fifty.

Nikki Blundell Dawson - Director since July 2018. Nikki was born in Sydney's western suburbs, moving to Hong Kong when she was 10. Upon returning to Australia 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 RBA, most of Nikki's subsequent career has been spent in professional services, including CS First Boston, McKinsey & Company, and more recently as a consultant with Egon Zehnder, where she has been for over 18 years. Nikki has been working pro bono with Beacon for over 12 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.'

Carl Harris - Director and Chair of the Audit & Risk Committee since July 2021. Carl is a partner at global professional services firm Deloitte. He has over 30 years of experience in internal and external audits and has been a partner at Deloitte for over 15 years. Carl is a registered company auditor and chartered accountant.

Carl was the Deloitte Tasmania Managing Partner from 2013 to 2021 before stepping down from the role to enable him to focus on other areas – including pursuing a passion of his, which is assisting, in any way he can, in enhancing education outcomes in Tasmania.

Originally from Tasmania, Carl has also worked in Singapore, Sydney, London, Edinburgh and Brisbane. He was also Vice President of the Tasmanian Division of the Property Council and Treasurer of his local school association committee up to April 2022. Carl has a strong history with Beacon, working with them since his return to Tasmania in 2012 as a speaker and mentor.

Directors' Report

Beacon Foundation

For the year ended 31 December 2021

DIRECTORS' MEETINGS

During the year ended 31 December 2021, 8 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Scott Harris	8	7
Jane Hewitt	8	8
Matthew Beach	4	3
Jeremy Bolt	8	7
Sarah Williams Hart	6	6
Nikki Blundell Dawson	8	8
Carl Harris	3	3

REVIEW OF OPERATIONS

The deficit of the Company was \$558,243 (2020: surplus of \$1,542,360). 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, their communities, businesses and industry, locally and nationally, to deliver programs and initiatives designed to expand the career pathways for the young people who need it most.

SHORT AND MEDIUM TERM OBJECTIVES

Over the last 2 years Beacon Foundation has focused on sustainability and maintaining its long-term commitment to the young people and communities in which we operate. During this period we completed a review and refresh of our strategy and began implementation on 1 January 2022. In line with our strategic plan the Company has the following objectives:

1. Further develop our suite of programs, based on external research, our own practice wisdom, and learnings from our recently completed place-based program (Collective ed.), to ensure our programs meet our 3 guiding principles of impact, collaboration and sustainability
2. Pilot of our enhanced program suite in the second half of 2022, with broader rollout in 2023 and expansion of our Work Based Learning Services project into all regions of Tasmania throughout 2022 and 2023
3. Undertaking of significant stakeholder consultation to develop and execute an advocacy program focused on enhancing and overcoming barriers in career readiness of Australian year 9-12 students

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 2021 the number of members was 5 (2020: 6).

Directors' Report

Beacon Foundation

For the year ended 31 December 2021

EVENTS SUBSEQUENT TO BALANCE DATE

On 29 March 2022 Beacon entered into a 5 year extension of the lease at 40 Molle Street. The resulting right of use asset and lease liability will be reflected in the financial statements for CY2022.

There has not been any other 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.

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 2021

Dated at Hobart, this 3rd day of June 2022.

Signed in accordance with a resolution of Directors:



.....
Jane Hewitt
Chairperson



.....
Scott Harris
Director



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Board of Directors

I declare that, to the best of my knowledge and belief, in relation to the audit of Beacon Foundation for the financial year ended 31 December 2021 there have been:

- i. No contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Sascha Adams

Partner

Hobart

3 June 2022

Statement of Comprehensive Income

Beacon Foundation

For the year ended 31 December 2021

	Note	12 months ending Dec. 2021 \$	18 months ending Dec. 2020 \$
Revenue from sponsorships, grants and fees		3,918,994	8,088,498
Donations - individuals		39,781	56,219
Finance income - interest		6,304	42,858
Other income	2	251,115	929,168
Total revenue and other income		4,216,195	9,116,742
Administration costs		243,853	271,947
Consultant and contractor fees		1,129,024	1,767,196
Depreciation & Amortisation	3	123,567	183,403
Grants		-	65,000
Interest on lease		4,386	9,611
Personnel costs	4	3,143,383	5,135,090
Program costs		67,822	10,333
Travel and accommodation		62,403	131,803
Total expenses		4,774,438	7,574,382
Accumulated (Deficit) / Surplus for the period attributable to the members		(558,243)	1,542,360
Other comprehensive income		-	-
Total comprehensive income		(558,243)	1,542,360

Statement of Financial Position

Beacon Foundation

As at 31 December 2021

	Note	12 months ending Dec. 2021 \$	18 months ending Dec. 2020 \$
Current assets			
Cash and cash equivalents	5	3,356,580	4,149,579
Trade and other receivables	6	1,160,388	1,249,268
Total current assets		4,516,968	5,398,847
Non-current assets			
Plant & equipment	7	54,440	85,365
Intangible assets	8	59,648	74,883
Right of use asset	9	38,426	114,088
Total non-current assets		152,513	274,337
TOTAL ASSETS		4,669,481	5,673,184
Current liabilities			
Trade and other payables	10	130,079	352,080
Unearned revenue		474,468	463,657
Contract & other liabilities	11	141,384	141,384
Employee benefits	12	197,975	289,082
Lease liability	9	48,679	70,959
Total current liabilities		992,585	1,317,162
Non-current liabilities			
Employee benefits	12	25,462	97,544
Lease liability	9	-	48,800
Total non-current liabilities		25,462	146,344
TOTAL LIABILITIES		1,018,047	1,463,506
NET ASSETS		3,651,434	4,209,677
Equity			
Accumulated surplus		3,651,434	3,799,609
Beacon Perpetual Fund Reserve		-	410,068
TOTAL EQUITY		3,651,434	4,209,677

Statement of Changes in Equity

Beacon Foundation

For the year ended 31 December 2021

	Note	12 months ending Dec. 2021 \$	18 months ending Dec. 2020 \$
Accumulated (Deficit) / Surplus			
Opening balance at 1 January (2020: 1 July)		3,799,609	2,266,558
(Deficit) / Surplus for the period		(558,243)	1,542,360
Transfer from / (to) Beacon Perpetual Fund Reserve		410,068	(9,308)
Closing balance at 31 December		<u>3,651,434</u>	<u>3,799,609</u>
Beacon Perpetual Fund Reserve			
Opening balance at 1 January (2020: 1 July)		410,068	400,760
Transferred (to) / from accumulated (Deficit) / Surplus		(410,068)	9,308
Closing balance at 31 December		<u>-</u>	<u>410,068</u>
Total Equity		<u>3,651,434</u>	<u>4,209,677</u>

The Beacon Perpetual Fund Reserve was originally set up as a prudent action to offset any potential future negative financial situations. It was deemed the reserve was no longer required due to the improved transparency within the management accounts, and subsequently the bank account holding the physical funds (Westpac Term Deposit) was closed on 9 July 2021 and the funds transferred to the CBA cheque account.

Statement of Cash Flows

Beacon Foundation

For the year ended 31 December 2021

	Note	12 months ending Dec. 2021 \$	18 months ending Dec. 2020 \$
Cash flows from operating activities			
Cash receipts in the course of operations		4,458,325	8,161,489
Cash payments in the course of operations		(5,181,090)	(7,718,171)
Interest received		6,974	43,336
Net cash (used in) / provided by operating activities	13	<u>(715,790)</u>	<u>486,654</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,744)	(46,673)
Proceeds from sale of property, plant and equipment		-	-
Cash receipts from investing activities		-	211,974
Cash payments from investing activities		-	(70,590)
Payment for intangible assets		-	(76,177)
Net cash (used in) / provided by investing activities		<u>(1,744)</u>	<u>18,534</u>
Cash flows from financing activities			
Repayment of leasing liabilities		(71,080)	(83,192)
Interest paid		(4,386)	(9,611)
Net cash used in financing activities		<u>(75,466)</u>	<u>(92,803)</u>
Net (decrease) / increase in cash held		(792,999)	412,385
Cash and cash equivalents at the beginning of the financial period		4,149,579	3,737,194
Cash and cash equivalents at the end of the financial period	5	<u>3,356,580</u>	<u>4,149,579</u>

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2021

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 January 2021. 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. The Company will apply this Standard for the year ending 31 December 2022
- 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

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2021

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).

In 2019 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 previous reporting period covered 18 months from 1 July 2019 to 31 December 2020. The current reporting period covers the calendar year 1 January 2021 to 31 December 2021.

(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 year ended 31 December 2021

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 14 day terms.

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2021

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 year ended 31 December 2021

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 previous period Beacon Foundation had 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 year ended 31 December 2021

	12 months ending Dec. 2021 \$	18 months ending Dec. 2020 \$
2 Other income		
Gain on sale of assets	1,105	3,523
Rent relief	-	25,545
JobKeeper subsidy	236,950	800,100
Cash flow boost	-	100,000
Other	13,061	-
	<u>251,115</u>	<u>929,168</u>
3 Depreciation & Amortisation		
Motor vehicles	5,122	7,718
Plant and equipment	27,547	66,308
Lease - 40 Molle St	75,663	108,084
Intangibles	15,235	1,294
	<u>123,567</u>	<u>183,403</u>
4 Personnel costs		
Salaries	3,000,832	4,578,969
Superannuation	286,479	436,649
Workers compensation insurance	13,598	39,911
Other costs (incl. training and development and release of leave accruals)	(157,526)	79,560
	<u>3,143,383</u>	<u>5,135,090</u>
5 Cash and cash equivalents		
CBA Business Cheque Account	55,867	139,511
CBA Cash Deposit Account	3,300,713	3,600,000
Westpac Term Deposit	-	410,068
Cash and cash equivalents used in the statement of cash flows	<u>3,356,580</u>	<u>4,149,579</u>
6 Trade and other receivables		
Current		
Accrued Revenue	577,477	1,077,612
Trade receivables	554,300	79,928
Prepayments	28,211	38,231
GST receivable	-	52,827
Other receivables	400	670
	<u>1,160,388</u>	<u>1,249,268</u>
7 Plant and equipment		
Office equipment - cost	272,851	271,108
Accumulated depreciation	(247,092)	(220,807)
	<u>25,759</u>	<u>50,300</u>
Renovations - cost	4,311	4,311
Accumulated depreciation	(3,680)	(2,419)
	<u>631</u>	<u>1,893</u>
Motor vehicles - cost	40,973	40,973
Accumulated depreciation	(12,923)	(7,802)
	<u>28,050</u>	<u>33,172</u>
Total property, plant and equipment	<u>54,440</u>	<u>85,365</u>

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2021

	12 months ending Dec. 2021 \$	18 months ending Dec. 2020 \$
8 Intangibles		
Internally developed software	76,177	76,177
Accumulated amortisation	<u>(16,529)</u>	<u>(1,294)</u>
	<u>59,648</u>	<u>74,883</u>
9 Right of use asset		
Lease - 40 Molle Street	222,172	222,172
Accumulated depreciation	<u>(183,746)</u>	<u>(108,084)</u>
	<u>38,426</u>	<u>114,088</u>
Lease liability		
Lease - 40 Molle Street		
Current	48,679	70,959
Non-current	<u>-</u>	<u>48,800</u>
	<u>48,679</u>	<u>119,759</u>
<p>On 29 March 2022 Beacon entered into a 5 year extension of the lease at 40 Molle Street. The resulting right of use asset and lease liability will be reflected in the financial statements for CY2022.</p>		
10 Trade and other payables		
Current		
GST owing	6,973	-
PAYG withholding	77,836	59,010
Other creditors	-	1,357
Trade payables and accruals	<u>45,269</u>	<u>291,713</u>
	<u>130,079</u>	<u>352,080</u>
11 Contract and other liabilities		
EMS grant	211,974	211,974
Funds utilised as at end of year	<u>(70,590)</u>	<u>(70,590)</u>
	<u>141,384</u>	<u>141,384</u>
12 Employee benefits		
Current		
Accrued wages	12,052	-
Annual leave	96,269	144,966
Long service leave provision	58,650	113,780
Superannuation Payable	<u>31,004</u>	<u>30,337</u>
	<u>197,975</u>	<u>289,082</u>
Non-Current		
Long service leave provision	<u>25,462</u>	<u>97,544</u>
	<u>25,462</u>	<u>97,544</u>

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2021

	12 months ending Dec. 2021 \$	18 months ending Dec. 2020 \$
13 Notes to the Statement of Cash Flows		
Reconciliation of operating surplus / (deficit) to net cash flows from operating activities		
Operating (deficit) / surplus	(558,243)	1,542,360
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	75,466	92,803
Depreciation & Amortisation	123,567	183,403
(Profit) / Loss on sale of property, plant and equipment	-	510
Changes in assets and liabilities		
(Decrease) / Increase in trade and other payables	(222,001)	38,444
(Increase) in Right of Use Asset	-	(222,172)
(Decrease) / Increase in Lease Liability	(71,080)	119,759
Decrease / (Increase) in trade and other receivables	88,880	(619,106)
(Decrease) in employee benefits provisions	(163,189)	(144,947)
Increase / (Decrease) in unearned revenue	10,810	(504,399)
Increase in Contract Liabilities	-	141,384
Net cash flow from operating activities	<u>(715,790)</u>	<u>486,654</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 year ended 31 December 2021 consist of the use of office space and general office equipment and supplies, plus pro bono legal support to the approximate value of \$36,005 (2020: \$46,233).		
15 Auditors' remuneration		
Audit Services		
Amounts for audit and review of financial reports	-	5,000
	<u>-</u>	<u>5,000</u>

The auditor of Beacon Foundation is KPMG, who provide their services on a pro-bono basis to the Company (2020: Deloitte Touche Tohmatsu)

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2021

12 months ending Dec.	18 months ending Dec.
2021	2020
\$	\$

16 Capital Commitments

a. Beacon Foundation does not have any capital expenditure commitments contracted for as at 31 December 2021.

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:

- 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.

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

On 29 March 2022 the Company entered into a 5-year extension of the lease at 40 Molle Street. The resulting right of use asset and lease liability will be reflected in the financial statements for CY2022.

There has not been any other 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 Company's current and future operations.

Directors' Declaration

Beacon Foundation

For the year ended 31 December 2021

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 3rd day of June 2022.

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** of Beacon Foundation (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission (ACNC) Act 2012, including:

- giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2021;
- 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 including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Company in accordance with the *ACNC Act 2012* and 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of Matter - basis of preparation and restriction on use and distribution

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Directors' financial reporting

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responsibilities under the ACNC Act. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the members of Beacon Foundation and should not be used by parties other than the members of Beacon Foundation. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the members of Beacon Foundation or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Beacon Foundation's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *ACNC Act 2012*.
- determining that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the ACNC. The basis of preparation is also appropriate to meet the needs of the members.
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

A stylized, handwritten signature of the letters 'KPMG' in black ink.

KPMG

A handwritten signature in black ink, appearing to be 'S.A.' with a long horizontal stroke underneath.

Sascha Adams

Partner

Hobart

3 June 2022