



Annual Financial Report

Beacon Foundation

ABN 42 129 090 464

31 December 2022



Directors' Report

Beacon Foundation

For the year ended 31 December 2022

The Directors present their report together with the general purpose financial report of Beacon Foundation (the Company) for the year ended 31 December 2022 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
Jeremy Bolt	Director for whole year
Nikki Blundell Dawson	Director for whole year
Carl Harris	Director for whole year
Kirsty Bloore	Director since 21 October 2022

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 and member of the Audit & Risk Committee since March 2014, and Chairperson since November 2017. Jane has over 29 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 under management of approximately \$1 billion. 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 and member of the Audit & Risk Committee since November 2021. 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 19 years. Nikki has been working pro bono with Beacon for over 13 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 16 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.

Kirsty Bloore - Director since October 2022, Kirsty is a strategic data and insights professional with extensive experience managing, mentoring and leading high performance teams across APAC. With particular expertise in consumer insights (particularly amongst kids and families, teens and young adults), Kirsty has a strong track record in strategic planning, consulting and measuring and tracking performance. Kirsty is an experienced professional having worked with ViacomCBS (Nickelodeon, MTV, Comedy Central), Fairfax Media, Macquarie Bank and also serving on the board of Nickelodeon Australia.

Directors' Report

Beacon Foundation

For the year ended 31 December 2022

DIRECTORS' MEETINGS

During the year ended 31 December 2022, 6 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Scott Harris	6	6
Jane Hewitt	6	6
Jeremy Bolt	6	6
Nikki Blundell Dawson	6	5
Carl Harris	6	6
Kirsty Bloore	1	1

REVIEW OF OPERATIONS

The surplus of the Company was \$820,043 (2021: deficit of \$558,243). 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

Since the commencement of our current strategic cycle on 1 January 2022 we have continued to consolidate our operations and focus on operational and process efficiencies, with the ultimate aim of achieving greater impact. In early 2022 we undertook extensive research to inform the next phase of our program suite and subsequently designed and trialled a multi-engagement program that allowed us to further refine the program. In line with our strategic plan the Company has the following objectives for the remainder of this strategic cycle out to December 2024:

1. Pilot of the multi-engagement program in Tasmania in 2023 and early 2024, with a national pilot planned in due course.
2. Expansion of our Work Based Learning Services project into all regions in Tasmania throughout 2023, including development of a recommended model for this work for 2024 and beyond.
3. Execution of our Advocacy and Communications & Marketing strategy with the aim of enhancing and overcoming barriers in career readiness of Australian Year 9-12 students.
4. Execution of our Fundraising strategy to allow the continued delivery of programs and services across Australia.

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 2022 the number of members was 6 (2021: 5).

EVENTS SUBSEQUENT TO BALANCE DATE

There has been no 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.

Directors' Report

Beacon Foundation

For the year ended 31 December 2022

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 2022.

Dated at Hobart, this 1st day of May 2023.

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 Directors of Beacon Foundation

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 2022 there have been:

- 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
- no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Sascha Adams

Partner

Hobart

04 May 2023

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Statement of Comprehensive Income

Beacon Foundation

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Revenue from sponsorships, grants and fees		3,105,576	3,918,994
Donations - individuals		154,140	39,781
Finance income - interest		69,643	6,304
Other income	2	2,588	251,115
Total revenue and other income		3,331,947	4,216,195
Administration costs		279,747	243,853
Consultant and contractor fees		39,504	1,129,024
Depreciation & Amortisation	3	86,971	123,567
Interest on lease		6,457	4,386
Personnel costs	4	1,993,472	3,143,383
Program costs		14,221	67,822
Travel and accommodation		91,533	62,403
Total expenses		2,511,904	4,774,438
Accumulated (Deficit) / Surplus for the period attributable to the members		820,043	(558,243)
Other comprehensive income		-	-
Total comprehensive income		820,043	(558,243)

Statement of Financial Position

Beacon Foundation

As at 31 December 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	5	5,159,840	3,356,580
Trade and other receivables	6	110,353	1,160,388
Finance income - interest receivable		37,168	-
Total current assets		5,307,361	4,516,968
Non-current assets			
Plant & equipment	7	44,784	54,440
Intangible assets	8	44,412	59,648
Right of use asset	9	220,293	38,426
Total non-current assets		309,490	152,513
TOTAL ASSETS		5,616,850	4,669,481
Current liabilities			
Trade and other payables	10	141,059	130,079
Unearned revenue		456,041	474,468
Contract & other liabilities	11	103,584	141,384
Employee benefits	12	190,117	197,975
Lease liability	9	39,653	48,679
Total current liabilities		930,454	992,585
Non-current liabilities			
Employee benefits	12	26,782	25,462
Lease liability	9	188,136	-
Total non-current liabilities		214,919	25,462
TOTAL LIABILITIES		1,145,373	1,018,047
NET ASSETS		4,471,477	3,651,434
Equity			
Accumulated surplus		4,471,477	3,651,434
TOTAL EQUITY		4,471,477	3,651,434

Statement of Changes in Equity

Beacon Foundation

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Accumulated (Deficit) / Surplus			
Opening balance at 1 January		3,651,434	3,799,609
(Deficit) / Surplus for the period		820,043	(558,243)
Transfer from / (to) Beacon Perpetual Fund Reserve		-	410,068
Closing balance at 31 December		4,471,477	3,651,434
Beacon Perpetual Fund Reserve			
Opening balance at 1 January		-	410,068
Transferred (to) / from accumulated (Deficit) / Surplus		-	(410,068)
Closing balance at 31 December		-	-
Total Equity		4,471,477	3,651,434

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 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash receipts in the course of operations		5,061,136	4,458,325
Cash payments in the course of operations		(3,183,265)	(5,181,090)
Interest received		32,475	6,974
Net cash (used in) / provided by operating activities	13	1,910,347	(715,790)
Cash flows from investing activities			
Purchase of property, plant and equipment		(13,102)	(1,744)
Proceeds from sale of property, plant and equipment		-	-
Cash receipts from investing activities		-	-
Cash payments from investing activities		(37,800)	-
Payment for intangible assets		-	-
Net cash (used in) / provided by investing activities		(50,902)	(1,744)
Cash flows from financing activities			
Repayment of leasing liabilities		(49,728)	(71,080)
Interest paid		(6,457)	(4,386)
Net cash used in financing activities		(56,185)	(75,466)
Net (decrease) / increase in cash held		1,803,260	(792,999)
Cash and cash equivalents at the beginning of the financial period		3,356,580	4,149,579
Cash and cash equivalents at the end of the financial period	5	5,159,840	3,356,580

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2022

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

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the financial statements were special purpose financial statements 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). There was no impact on the recognition and measurement of amounts recognised on the statements of financial position, comprehensive income and cash flows of the Company as a result of the change in the basis of preparation.

These financial statements were authorised for issue by the Company's directors on 1 May 2023.

(b) 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(c).

(c) 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.

(d) Lease payments

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

(e) 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 2022

1. Statement of significant accounting policies (continued)

(f) 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.

(g) 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.

(h) Income Tax

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

(i) 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.

(j) 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 2022

1. Statement of significant accounting policies (continued)

(k) 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.

(l) 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.

(m) Comparative amounts

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

(n) 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 2022

1. Statement of significant accounting policies (continued)

(o) 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 2022

	2022	2021	
	\$	\$	
2 Other income			
Gain on sale of assets	977	1,105	
JobKeeper subsidy	-	236,950	
Other	1,611	13,061	
	<u>2,588</u>	<u>251,115</u>	
3 Depreciation & Amortisation			
Motor vehicles	5,122	5,122	
Plant and equipment	17,636	27,547	
Lease - 40 Molle St	48,978	75,663	
Intangibles	15,235	15,235	
	<u>86,971</u>	<u>123,567</u>	
4 Personnel costs			
Salaries	1,737,165	3,000,832	
Superannuation	187,339	286,479	
Workers compensation insurance	15,139	13,598	
Other costs (incl. training and development and release of leave accruals)	53,828	(157,526)	
	<u>1,993,472</u>	<u>3,143,383</u>	
5 Cash and cash equivalents			
CBA Business Cheque Account	459,840	55,867	
CBA Cash Deposit Account	4,700,000	3,300,713	
Cash and cash equivalents used in the statement of cash flows	<u>5,159,840</u>	<u>3,356,580</u>	
6 Trade and other receivables			
Current			
Accrued Revenue	31,717	577,477	
Trade receivables	7,260	554,300	
Prepayments	70,976	28,211	
Other receivables	400	400	
	<u>110,353</u>	<u>1,160,388</u>	
7 Plant and equipment			
	Plant & Equipment	Motor Vehicles	Total
Opening balance as at 1 January 2022			
Gross carrying amount	277,163	40,973	318,136
Accumulated depreciation	(250,773)	(12,923)	(263,696)
Net carrying amount at 1 January 2022	<u>26,390</u>	<u>28,050</u>	<u>54,440</u>
Additions	13,102	-	13,102
Disposals	-	-	-
Depreciation	(17,636)	(5,122)	(22,758)
Net carrying amount at 31 December 2022	<u>21,856</u>	<u>22,928</u>	<u>44,784</u>
Gross carrying amount	290,265	40,973	331,238
Accumulated depreciation	(268,409)	(18,045)	(286,454)
Net carrying amount at 31 December 2022	<u>21,856</u>	<u>22,928</u>	<u>44,784</u>

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2022

	2022 \$	2021 \$
8 Intangibles		
Opening balance as at 1 January 2022		
Gross carrying amount	76,177	
Accumulated amortisation	<u>(16,529)</u>	
Net carrying amount at 1 January 2022	<u>59,648</u>	
Additions	-	
Disposals	-	
Amortisation	<u>(15,235)</u>	
Net carrying amount at 31 December 2022	<u>44,412</u>	
Gross carrying amount	76,177	
Accumulated amortisation	<u>(31,765)</u>	
Net carrying amount at 31 December 2022	<u>44,412</u>	
9 Right of use asset		
Lease - 40 Molle Street	478,789	222,172
Accumulated depreciation	<u>(258,496)</u>	<u>(183,746)</u>
	<u>220,293</u>	<u>38,426</u>
Lease liability		
Lease - 40 Molle Street		
Current	39,653	48,679
Non-current	<u>188,136</u>	<u>-</u>
	<u>227,790</u>	<u>48,679</u>
The company leases office premises on a lease of 5 years. Information about leases for which the company is a lessee is presented below:		
<i>i. Right of use assets</i>		
	Land & Buildings	
Balance at 1 January 2022	38,426	
Additions to right of use assets	256,617	
Modification to right of use assets*	(25,771)	
Depreciation charge for the year	<u>(48,978)</u>	
Balance at 31 December 2022	<u>220,293</u>	
*Modification to the right-of-use asset in 2022 is as a result of lease extension.		
<i>ii. Amounts recognised in profit and loss</i>		
Expenses relating to short-term leases and leases of low value assets that are not recognised as right-of-use assets.	6,370	5,092
<i>iii. Extension options</i>		
Some property leases contain extension options exercisable by the Company. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. Where reasonable certainty of extension exists this is included in the lease value		
<i>iv. Future lease payments</i>		
The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short-term leases and leases of low-value items) are disclosed for each of the following periods.		
Less than one year	67,165	55,802
One to five years	<u>223,715</u>	<u>-</u>
	<u>290,880</u>	<u>55,802</u>

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2022

	2022	2021
	\$	\$
10 Trade and other payables		
Current		
GST owing	7,746	6,973
PAYG withholding	35,143	77,836
Trade payables and accruals	98,170	45,269
	<u>141,059</u>	<u>130,079</u>
11 Contract and other liabilities		
EMS grant	211,974	211,974
Funds utilised as at end of year	(108,390)	(70,590)
	<u>103,584</u>	<u>141,384</u>
12 Employee benefits		
Current		
Accrued wages	13,463	12,052
Annual leave	94,930	96,269
Long service leave provision	65,793	58,650
Superannuation Payable	15,931	31,004
	<u>190,117</u>	<u>197,975</u>
Non-Current		
Long service leave provision	26,782	25,462
	<u>26,782</u>	<u>25,462</u>
13 Notes to the Statement of Cash Flows		
Reconciliation of operating surplus / (deficit) to net cash flows from operating activities		
Operating (deficit) / surplus	820,043	(558,243)
Add / (Less) non cash and non-operating items		
Investing Activity receipts	-	-
Unwinding of Financial Liability on Capital Grant per AASB 1058	-	-
Lease Liability	56,185	75,466
Depreciation & Amortisation	86,971	123,567
(Profit) / Loss on sale of property, plant and equipment	-	-
Changes in assets and liabilities		
Increase / (Decrease) in trade and other payables	10,980	(222,001)
(Increase) in Right of Use Asset	(230,846)	-
Increase / (Decrease) in Lease Liability	179,110	(71,080)
Decrease / (Increase) in trade and other receivables	1,012,868	88,880
(Decrease) in employee benefits provisions	(6,538)	(163,189)
(Decrease) / Increase in unearned revenue	(18,426)	10,810
(Decrease) / Increase in Contract Liabilities	-	-
Net cash flow from operating activities	<u>1,910,347</u>	<u>(715,790)</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 2022 consist of the use of office space and general office equipment and supplies, plus pro bono legal support to the approximate value of \$47,501 (2021: \$36,005).

Notes to the Financial Statements

Beacon Foundation

For the year ended 31 December 2022

	2022	2021
	\$	\$
15 Auditors' remuneration		
Audit Services		
Amounts for audit and review of financial reports	-	-
	-	-

The auditor of Beacon Foundation is KPMG, who provide their services on a pro-bono basis to the Company (2021: KPMG)

16 Capital Commitments

a. Beacon Foundation does not have any capital expenditure commitments contracted for as at 31 December 2022.

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

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.

18 Key Management Personnel compensation

Total key management personnel compensation	655,685	731,782
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Key Management Personnel consists of the non-Executive Directors of the Company (not remunerated), Executive Director (S. Harris - remunerated in his capacity as Chief Executive Officer) and 3 other Executives responsible for the management and strategic direction of the Company (2021: 3).

Directors' Declaration

Beacon Foundation

For the year ended 31 December 2022

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 16, 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 2022 and of its performance, as represented by the results of its operations and its cash flows, for the 12 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 1st day of May 2023.

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 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 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *ACNC Act 2012*.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2022
- 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.

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
- 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.

KPMG

Sascha Adams

Partner

Hobart, 4 May 2023