



Annual Financial Report

Beacon Foundation

ABN 42 129 090 464

30 June 2018



Directors' Report

Beacon Foundation

For the year ended 30 June 2018

The Directors present their report together with the special purpose financial report of Beacon Foundation (the Company) for the year ended 30 June 2018 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
Greg Woolley	Resigned 1 May 2018
Jane Hewitt	Director for whole year
Matthew Beach	Director for whole year
Jeremy Bolt	Appointed 20 November 2017
Sarah Williams Hart	Appointed 17 February 2018
Nikki Blundell Dawson	Appointed 25 July 2018

Scott Harris - Director since 4 January 2008. Member of the Audit & Risk Committee. 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 - Director since 13 March 2014. Chairperson of the Board of Directors. Qualifications and experience: Jane has over 20 years' experience in real estate development and accommodation management. She founded UniLodge in 1996, a pioneer and leading provider of student accommodation in Australia and New Zealand. Jane developed this business into an operation with assets of approximately \$1billion, with over 100 employees and multiple locations in Sydney, Melbourne, Brisbane, Canberra, Adelaide, Wellington and Auckland. Jane holds a Bachelor of Land Economics from University of Technology Sydney and more recently has been working with Social Ventures Australia to develop its strategic direction on social housing.

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's current roles are focussed on digital media, digital strategy, data and technology consulting, and also building and monetising online marketplaces. Jeremy holds a Bachelor of Commerce and H.Dip.Acc from Rhodes University, is the Joint CEO of the Annalect, Resolution and OMG Programmatic and is also a Director of The Digital Company.

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 Corrs Chambers Westgarth in the Restructuring, Insolvency and Special Situations team. 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). She then went on to complete a B.Econ (Hons) from the University of Queensland and then later, 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 career since has been spent in professional services, including time with CS First Boston, and six years with McKinsey & Company in Sydney, London and San Francisco. Currently, she is a consultant with Egon Zehnder in Sydney, where she has been for over 14 years, specialising in Leadership Assessment & Development work. She also spent two years at a software start-up (Perks at Work) in San Francisco from 2000-2001. Nikki has been working pro bono with Beacon for over eight years, helping them 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 year ended 30 June 2018

DIRECTORS' MEETINGS

During the financial year 4 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Scott Harris	4	4
Greg Woolley	3	3
Jane Hewitt	4	4
Matthew Beach	4	4
Jeremy Bolt	2	2
Sarah Williams Hart	2	2
Nikki Blundell Dawson	-	-

REVIEW OF OPERATIONS

The surplus of the Company was \$810,847 (2017: surplus of \$2,274,571). 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 LONG TERM OBJECTIVES

The Company has identified the following objectives:

1. Deliver on the Collective Education Project being a \$15million partnership with the Paul Ramsay Foundation and the Tasmanian State Government to revolutionise education in Tasmania.
2. Development and implementation of the Online Beacon program suite, and its supporting IT system. Online Beacon is designed for its scaling potential, improved efficiency and strengthened student outcomes.

Directors' Report

Beacon Foundation

For the year ended 30 June 2018

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 30 June 2018 the number of members was 5 (2017: 4).

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.

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 30 June 2018.

Dated at Hobart, this day of December 2018.

Signed in accordance with a^{18th} resolution of Directors:



Jane Hewitt
Chairperson



Scott Harris
Director

18 December 2018

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.

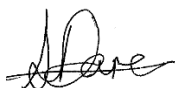
As lead audit partner for the audit of the financial statements of Beacon Foundation for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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 year ended 30 June 2018

	Note	2018 \$	2017 \$
Public Fund Donations - businesses & philanthropic organisations		4,197,131	4,587,294
Public Fund Donations - individuals		22,085	64,552
Revenue from sponsorship, grants and fees		2,011,590	1,780,688
Finance income - interest		46,886	21,367
Other income	2	-	656
Total revenue and other income		6,277,692	6,454,557
Accountancy and Audit fees		385	6,703
Advertising and promotion		22,238	4,526
Bad and doubtful debts		(7,500)	4,750
Board expenses		1,768	723
Communication expenses		38,400	37,646
Consultants fees		360,089	88,719
Contractor fees		17,945	77,182
Depreciation	3	52,741	30,128
Employee on costs		490,960	367,567
Events expenses		887	13,528
Finance expense - bank fees and charges		2,435	2,575
Grants		20,000	-
Insurance		51,260	60,087
Loss on sale/disposal of assets		-	1,719
Motor vehicle expenses		5,479	3,784
National conference expenses		-	944
Office costs		200,581	278,170
Program expenses		44,259	8,235
Rental expenses		72,741	56,199
Salaries and wages		3,846,274	2,927,213
Staff training, development & recruitment		23,621	19,079
Travel and accommodation		222,283	190,510
Total expenses		5,466,845	4,179,986
Accumulated Surplus / (Deficit) for the period attributable to the members		810,847	2,274,571
Other comprehensive income		-	-
Total comprehensive income		810,847	2,274,571

Statement of Financial Position

Beacon Foundation

As at 30 June 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	4	3,958,423	5,283,807
Trade and other receivables	5	699,637	460,093
Total current assets		4,658,060	5,743,900
Non-current assets			
Plant & equipment	6	126,965	112,835
Total non-current assets		126,965	112,835
TOTAL ASSETS		4,785,025	5,856,735
Current liabilities			
Trade and other payables	7	181,137	115,097
Unearned revenue		942,489	3,021,216
Employee benefits	8	512,338	372,086
Total current liabilities		1,635,964	3,508,399
Non-current liabilities			
Employee benefits	8	23,887	34,009
Total non-current liabilities		23,887	34,009
TOTAL LIABILITIES		1,659,852	3,542,408
NET ASSETS		3,125,174	2,314,327
Equity			
Accumulated (deficit) / surplus		2,735,898	1,933,095
Beacon Perpetual Fund Reserve		389,276	381,232
TOTAL EQUITY		3,125,174	2,314,327

Statement of Changes in Equity

Beacon Foundation

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Accumulated (deficit)/surplus			
Opening balance at 1 July		1,933,095	(333,199)
Surplus / (Deficit) for the period		810,847	2,274,571
Transfer to Beacon Perpetual Fund Reserve		<u>(8,044)</u>	<u>(8,277)</u>
Closing balance at 30 June		<u>2,735,898</u>	<u>1,933,095</u>
Beacon Perpetual Fund Reserve			
Opening balance at 1 July		381,232	372,955
Transferred from accumulated (deficit)/surplus		<u>8,044</u>	<u>8,277</u>
Closing balance at 30 June		<u>389,276</u>	<u>381,232</u>
Total Equity		<u>3,125,174</u>	<u>2,314,327</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 4.

Statement of Cash Flows

Beacon Foundation

For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Cash receipts in the course of operations		4,081,717	8,367,406
Cash payments in the course of operations		(5,385,483)	(4,206,066)
Interest received		45,254	17,486
Net cash provided by/(used in) operating activities	9	<u>(1,258,512)</u>	<u>4,178,826</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(66,872)	(113,785)
Proceeds from sale of property, plant and equipment		-	30,000
Net cash provided by/(used in) investing activities		<u>(66,872)</u>	<u>(83,785)</u>
Net increase / (decrease) in cash held		(1,325,384)	4,095,041
Cash and cash equivalents at the beginning of the financial period		5,283,807	1,188,766
Cash and cash equivalents at the end of the financial period	4	<u>3,958,423</u>	<u>5,283,807</u>

Notes to the Financial Statements

Beacon Foundation

For the year ended 30 June 2018

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

There are no new and revised Standards and Interpretations adopted in the current year affecting the reported results or financial position of the company and the presentation and disclosure in these financial statements.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

AASB 9 'Financial Instruments' and the relevant amending standards Effective for annual reporting periods beginning on or after 1 January 2018 and will be applied in the financial year ending 30 June 2019. To date no material impact has been identified.

AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' and AASB 2016-3 'Amendments to Australian Accounting Standards - Clarifications to AASB 15' Effective for annual reporting periods beginning on or after 1 January 2018 and will be applied in the financial year ending 30 June 2019. To date no material impact has been identified.

AASB 16 'Leases' Effective for annual reporting periods beginning on or after 1 January 2019 and expected to be initially applied in the financial year ending 30 June 2020. To date no material impact has been identified.

AASB 1058 Income of Not-for-Profit Entities, AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

Effective for annual reporting periods beginning on or after 1 January 2019 and expected to be initially applied in the financial year ending 2020.

The potential effect of the revised Standards/Interpretations on the company's financial statements has not yet been determined.

Notes to the Financial Statements

Beacon Foundation

For the year ended 30 June 2018

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 and donations - refer note 1(d).

(d) Revenue recognition

Sponsorship Revenue

Sponsorships are recorded as revenue to the extent that it is probable that the economic benefits will flow to the Company (or where the pledge is enforceable against the donor where a contract is in place) and the revenue can be reliably measured.

Contributions - Government grants/Donations

A contribution occurs when the Company receives an asset, including the right to receive cash or other forms of asset without directly giving approximately equal value to the other party to the transfer; that is, when there is a non-reciprocal transfer. Contributions would include donations and government grants. Income from contributions is recognised when all of the following conditions are satisfied:

- * the Company obtains control of the contribution or right to receive the contribution
- * it is probable the economic benefits comprising the contribution will flow to the Company; and
- * the amount of the contribution can be measured reliably.

Income arising from contributions is measured at fair value of the contributions received or receivable.

(e) Lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

(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 borrowings (credit cards) and is recognised in the statement of comprehensive income using the effective interest method.

Notes to the Financial Statements

Beacon Foundation

For the year ended 30 June 2018

(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.

(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.

Notes to the Financial Statements

Beacon Foundation

For the year ended 30 June 2018

(l) Property, plant & equipment (cont.)

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

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised on the Company's statement of financial position.

(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 sick 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.

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the statement of comprehensive income when they are due.

(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 in respect of contributions where the Company has not yet obtained control of the contribution or right to receive the contribution. Funds are recognised in accordance with note 1 (d).

Notes to the Financial Statements

Beacon Foundation

For the year ended 30 June 2018

	2018	2017
	\$	\$
2 Other income		
Miscellaneous income	-	656
	<u>-</u>	<u>656</u>
3 Depreciation		
Motor vehicles	6,884	7,176
Plant and equipment	45,857	22,952
	<u>52,741</u>	<u>30,128</u>
4 Cash and cash equivalents		
CBA Business Cheque Account	303,308	446,047
CBA High Interest Account	485,732	4,206,447
CBA Term Deposits	2,515,019	-
Perpetual Trustees - Cash Management Fund	227,484	225,215
Westpac Term Deposit	389,276	381,231
Beacon Foundation Public Fund Cheque Account	37,589	24,844
Cash on hand	15	24
Cash and cash equivalents used in the statement of cash flows	<u>3,958,423</u>	<u>5,283,807</u>
5 Trade and other receivables		
Current		
Trade receivables	677,057	490,940
Prepayments	14,484	11,703
GST receivable	-	1,304
Other receivables	8,097	6,147
Provision for doubtful debts	-	(50,000)
	<u>699,637</u>	<u>460,093</u>
6 Plant and equipment		
Office equipment - cost	202,634	140,075
Accumulated depreciation	(113,276)	(67,420)
	<u>89,358</u>	<u>72,655</u>
Renovations - cost	4,311	-
Accumulated depreciation	-	-
	<u>4,311</u>	<u>-</u>
Motor vehicles - cost	44,795	44,795
Accumulated depreciation	(11,499)	(4,615)
	<u>33,296</u>	<u>40,180</u>
Total property, plant and equipment	<u>126,965</u>	<u>112,835</u>

Notes to the Financial Statements

Beacon Foundation

For the year ended 30 June 2018

	2018	2017
	\$	\$
7 Trade and other payables		
Current		
Credit cards	-	37
GST owing	72,960	-
PAYG withholding	64,037	68,751
Other creditors	754	-
Trade payables and accruals	<u>43,386</u>	<u>46,310</u>
	<u>181,137</u>	<u>115,097</u>
8 Employee benefits		
Current		
Accrued wages	129,449	91,776
Annual leave	227,739	159,731
Long service leave	122,208	95,449
Superannuation Owing	<u>32,943</u>	<u>25,130</u>
	<u>512,338</u>	<u>372,086</u>
Non-Current		
Long service leave	<u>23,887</u>	<u>34,009</u>
	<u>23,887</u>	<u>34,009</u>
9 Notes to the Statement of Cash Flows		
Reconciliation of operating surplus/deficit to net cash flows from operating activities		
Operating surplus / (deficit)	810,847	2,274,571
Add / (Less) non cash and non-operating items		
Depreciation	52,741	30,128
(Profit)/Loss on sale of property, plant and equipment	-	1,719
Changes in assets and liabilities		
(Decrease)/increase in trade and other payables	66,040	49,940
(Increase)/decrease in trade and other receivables	(239,543)	(103,324)
Increase in employee benefits provisions	130,130	47,027
(Decrease)/increase in unearned revenue	<u>(2,078,727)</u>	<u>1,878,764</u>
Net cash flow from operating activities	<u>(1,258,512)</u>	<u>4,178,826</u>

10 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 30 June 2018 consist of the use of office space and general office equipment and supplies, plus pro bono legal support, and complimentary hotel room to the approximate value of \$255,054 (2017: \$100,000).

Notes to the Financial Statements

Beacon Foundation

For the year ended 30 June 2018

	2018	2017
	\$	\$
11 Auditors' remuneration		
Audit Services		
Amounts paid for audit and review of financial reports	-	6,703
	<u>-</u>	<u>6,703</u>

The auditor of Beacon Foundation is Deloitte Touche Tohmatsu (2017: Deloitte Touche Tohmatsu).

12 Capital and Leasing Commitments

a. Beacon Foundation does not have any capital expenditure commitments contracted for as at 30 June 2018.

b. Operating Lease Commitments

Leases as lessee

Beacon Foundation has an operating lease commitment for the rental of office space at 40 Molle Street, Hobart, Tasmania, 7000. The lease term is for 81 months, ending on 31 July 2022.

Non-cancellable operating leases are payable as follows:

Less than one year	74,749	76,426
Between one and five years	244,781	305,917
More than five years	-	6,807
	<u>319,530</u>	<u>389,150</u>

13 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.

Directors' Declaration

Beacon Foundation

For the year ended 30 June 2018

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 15, 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 30 June 2018 and of its performance, as represented by the results of its operations and its cash flows, for the financial year 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 day of December 2018.

18th

Signed in accordance with a resolution of the directors made pursuant to s60.15 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 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year 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 30 June 2018 and of its financial performance for the year 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 directors' report for the year ended 30 June 2018, 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 the 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

A handwritten signature in black ink, appearing to read "S Dare".

S Dare
Partner
Chartered Accountants
Hobart, 19 December 2018