

**THE BOARD OF BENEVOLENCE AND OF AGED MASONS  
WIDOWS AND ORPHANS' FUND  
TRADING AS  
HAND HEART POCKET  
ABN 54 216 065 828**

**CONSOLIDATED FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

## RESPONSIBLE PERSONS REPORT

The board members, being the responsible persons in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, submit the consolidated financial report of The Board of Benevolence and of Aged Masons Widows and Orphans' Fund (the entity) for the financial year ended 30 June 2023.

The name of each person who has been a board member during the year and to the date of this report are:

### Current Board Members

Alasdair J. Begley	(Chairman)
Lisbeth J.C.Crombie	(Chairperson Audit & Risk Committee)
Jason Bingham	
Paul Holland	(Term concluded July 2022)
Kirby J. Leeke	(Resigned in December 2022)
Elliott P. Reeve	(Chairman Investment Committee)
Craig R. Reimers	
Lisa Siganto	
Jeffrey R. Harper	

Board members have been in office since the start of the financial year to the date of this report unless otherwise stated.

The comprehensive surplus for the year totalled \$3,366,764 (2022: deficit \$4,246,203). Spending for future years will continue to be determined and set in accordance with the current spending policy, which is calculated on a rolling 12-quarters (3-year) corpus average value.

BOB Holdings Pty Ltd is a wholly owned subsidiary of the parent entity and is a taxable entity. During the year \$28,104 tax was paid. Tax paid during the financial year of \$15,274 related to 30 June 2022, and income tax instalments of \$12,830 related to 30 June 2023.

In the 2023 year, the principal activity of the entity was to derive passive income to enable the provision of strategic philanthropy to support community based organisations that impact the lives of community members across Queensland and throughout Papua New Guinea. In addition, a strategic focus on charitable assistance for future community support was a significant emphasis of the entity. The charitable giving strategy has been developed after consideration of unmet or under-resourced community needs with a specific focus on Youth at Risk. Total strategic granting payments this financial year totalled \$1,772,096 (2022: \$2,169,779). All grant obligations due in future financial years have also been brought to account through our giving commitments totalling \$3,642,164 (2022: \$2,991,756).

### RESPONSIBLE PERSONS REPORT (Continued)

No other matters or circumstances have arisen, between the end of the financial year and the completion of this report, which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Insurance premiums have been paid on behalf of board members and officers for any loss for which the board members or officers may not be legally indemnified by the entity arising out of any claim, by reason of any wrongful act committed by them in their capacity as a board member or officer.

#### *Auditors Independence Declaration*

A copy of the Auditor's independence declaration as required under s 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012, is included on page 4 of this financial report and forms part of the responsible persons report.

Signed in accordance with a resolution of the members of the Board.



A. J. Begley, Chairman

Dated this, 4th day of October, 2023



L.J.C. Crombie, Chairperson  
Audit & Risk Committee

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## LEAD AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF THE BOARD OF BENEVOLENCE AND OF AGED MASONS WIDOWS AND ORPHANS' FUND TRADING AS HAND HEART POCKET

In accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of The Board of Benevolence and of Aged Masons Widows and Orphans' Fund trading as Hand Heart Pocket for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

**UHY Haines Norton**  
**Chartered Accountants**



**Darren Laarhoven**

Partner

Brisbane, 25 September 2023

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenues from operating activities	2(a)	<b>6,767,712</b>	8,000,025
Employee benefits expense	3(b)	<b>(1,605,428)</b>	(1,434,224)
Consultancy and legal		<b>(254,914)</b>	(343,457)
Investment management fees		<b>(975,415)</b>	(1,423,056)
Foreign currency exchange loss	3(c)	<b>(5,052,245)</b>	(8,045,911)
IT & Computer license fees		<b>(120,393)</b>	(101,498)
Insurance		<b>(29,518)</b>	(18,599)
Rates and body corporate charges		<b>(57,828)</b>	(65,377)
Repairs, maintenance and replacements		<b>(5,279)</b>	(6,635)
Giving payments	3(d)	<b>(1,772,096)</b>	(2,169,779)
Giving commitments	3(d)	<b>(3,642,164)</b>	(2,991,756)
Loss on disposal of property, plant and equipment		<b>(645)</b>	(337)
Other expenses from operating activities		<b>(91,381)</b>	(139,537)
Deficit from operating activities before depreciation and amortisation and income tax expense		<b>(6,839,594)</b>	(8,740,141)
Depreciation and amortisation		<b>(182,130)</b>	(189,670)
Income tax expense	1(a),4	<b>(61,521)</b>	(22,411)
<b>Deficit for the year</b>		<b><u>(7,083,245)</u></b>	<b><u>(8,952,222)</u></b>
<b>Other comprehensive income</b>			
Change in fair value of financial assets (managed fund investments)	1(d),2(b)	<b>10,450,009</b>	4,706,019
<b>Other comprehensive income for the year</b>		<b><u>10,450,009</u></b>	<b><u>4,706,019</u></b>
<b>Total comprehensive income (deficit) for the year</b>		<b><u>3,366,764</u></b>	<b><u>(4,246,203)</u></b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	5	23,373,048	15,496,323
Trade and other receivables	6	1,264,852	1,053,735
Other current assets	7	100,000	100,000
Total current assets		24,737,900	16,650,058
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	8(a)	184,123,569	192,230,407
Other non-current assets	7	100,000	100,000
Property, plant and equipment	9	3,787,506	3,970,150
Total non-current assets		188,011,075	196,300,557
<b>Total assets</b>		212,748,975	212,950,615
<b>Current liabilities</b>			
Giving commitments	10	4,912,920	3,068,249
Trade and other payables	10	1,281,030	5,931,812
Provisions	11	8,251	-
Total current liabilities		6,202,202	9,000,061
<b>Non-current liabilities</b>			
Giving commitments	10	550,000	1,242,075
Other payables	10	100,000	200,000
Provisions	11	66,947	45,415
Total non-current liabilities		716,947	1,487,490
<b>Total liabilities</b>		6,919,148	10,487,551
<b>Net assets</b>		205,829,827	202,463,064
<b>Equity</b>			
Retained surplus		178,565,937	180,641,219
Financial asset reserve	12	27,263,890	21,821,845
<b>Total equity</b>		205,829,827	202,463,064

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	Retained Earnings	Financial Asset Reserves	Total
	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>188,246,305</b>	<b>18,462,962</b>	<b>206,709,267</b>
Surplus (deficit) from operating activities	(8,952,222)	-	(8,952,222)
<b>Total other comprehensive income for the year:</b>			
Change in fair value of financial assets (managed fund investments)	-	(186,094)	(186,094)
Unrealised foreign currency exchange loss on financial assets	-	5,264,514	5,264,514
Realised foreign currency exchange loss on financial assets		(372,401)	(372,401)
	<b>179,294,083</b>	<b>23,168,981</b>	<b>202,463,064</b>
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	1,347,136	(1,347,136)	-
<b>Balance at 30 June 2022</b>	<b>180,641,219</b>	<b>21,821,845</b>	<b>202,463,064</b>
Surplus (deficit) from operating activities	(7,083,245)	-	(7,083,245)
<b>Total other comprehensive income for the year:</b>			
Change in fair value of financial assets (managed fund investments)	-	6,211,027	6,211,027
Unrealised foreign currency exchange gain on financial assets	-	3,664,695	3,664,695
Realised foreign currency exchange loss on financial assets		574,287	574,287
	<b>173,557,974</b>	<b>32,271,854</b>	<b>205,829,827</b>
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	5,007,964	(5,007,964)	-
<b>Balance at 30 June 2023</b>	<b>178,565,937</b>	<b>27,263,890</b>	<b>205,829,827</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Donations received		366,717	162,226
Payment to suppliers and employees		(2,523,318)	(3,471,581)
Giving payments		(4,261,665)	(4,104,606)
Dividends and distributions received		3,025,874	7,178,961
Interest received		593,038	81,522
Foreign currency exchange loss / gain	23	(9,565,815)	(3,652,857)
Income tax paid		(20,504)	(28,409)
Other income		136,221	24,405
<b>Net cash inflow (outflow) from operating activities</b>		<b>(12,249,452)</b>	<b>(3,810,339)</b>
<b>Cash flows from investing activities</b>			
Payments for investment properties, property, plant and equipment		-	(56,276)
Proceeds from sale of investments		31,149,048	56,547,722
Payments for investments		(11,022,870)	(55,469,251)
Social impact loan repaid		100,000	210,000
<b>Net cash inflow (outflow) from investing activities</b>		<b>20,226,177</b>	<b>1,232,195</b>
<b>Cash flows from financing activities</b>			
Deferred land payments		(100,000)	(100,000)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(100,000)</b>	<b>(100,000)</b>
<b>Net increase (decrease) in cash held</b>		<b>7,876,725</b>	<b>(2,678,144)</b>
Cash at the beginning of the financial year		15,496,323	18,174,467
Cash at the end of the financial year	5	23,373,048	15,496,323

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The Board of Benevolence and of Aged Masons, Widows and Orphans' Fund (the entity) was incorporated under the *Religious, Educational and Charitable Institutions Act 1861-1967* on 2 March 1978. For the purposes of preparing the financial statements, the entity is a not-for-profit entity.

**Reporting Basis and Conventions**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures of the Australian Accounting Standards Board (AASB), and the requirements of the Australian Charities and Not-for-Profits Commission Act 2012. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. The financial statements are presented in Australian dollars, which is the entity's functional and presentation currency. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Going concern**

The financial report for the entity has been prepared on a going concern basis. There are no significant doubts about the ability of the entity to meet its future obligations.

**Parent entity information**

The Board of Benevolence and of Aged Masons Widows and Orphans' Fund is the parent entity of the reporting group which includes BOB Holdings Pty Ltd, a wholly owned subsidiary, the Hand Heart Pocket Community Fund and the Hand Heart Pocket Benevolent Fund which are beneficially held trusts and considered to be controlled by the parent entity. Supplementary information about the parent entity is disclosed in note 18.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries and controlled trusts of The Board of Benevolence and of Aged Masons Widows and Orphans' Fund as at 30 June 2023 and their results for the year then ended. The Board of Benevolence and of Aged Masons Widows and Orphans' Fund, its subsidiaries and controlled trusts together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries and beneficial trusts are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. These entities are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

Intercompany and controlled trust transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and controlled trusts have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries and controlled trusts are accounted for using the acquisition method of accounting. A change in ownership interest, without loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in the equity attributable to the parent.

Where the consolidated entity loses control over a controlled entity, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

The financial statements were authorised for issue on 4th October 2023 by the Board.

**Summary of Significant Accounting Policies**

**(a) Income tax**

As the entity is a charitable entity, it is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. Tax effect accounting principles have therefore not been adopted.

BOB Holdings Pty Ltd is a wholly owned subsidiary of the parent entity and is a taxable entity.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Revenue**

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

**Revenue from operating activities**

Donations collected, including cash and goods for resale, are recognised as revenue when the entity gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Bequests are recognised when the legacy is received. Revenue from legacies comprising bequests of shares or other property are recognised at fair value, being the market value of the shares or property at the date the entity becomes legally entitled to the shares or property.

Interest income is recognised on an accrual basis using the effective interest method.

Dividend and distribution income is recognised at the time the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

**(c) Expenses**

All expenditure is accounted for on an accruals basis and has been classified under headings reflecting the relevant function of the company which incurred the cost.

**(d) Fair value measurement**

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(e) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation, amortisation and impairment losses.

**Buildings**

Buildings are shown at their fair value based on periodic valuations by external independent valuers, less accumulated depreciation.

In the periods when the buildings are not subject to an independent valuation, the board conduct valuations to ensure the buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are recognised against fair value reserves directly in equity; all other decreases are recognised in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Plant and equipment and motor vehicles**

Plant and equipment and motor vehicles are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in surplus or deficit or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on either a reducing balance basis as appropriate or a straight-line basis over the assets' useful life commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings and improvements	2.5% - 10.0% straight line
Plant and equipment	20.0% reducing balance or 4.0% - 33.33% straight line
Motor vehicles	22.5% reducing balance

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(f) Financial Assets**

*Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and subsequent measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Subsequent measurement of financial assets*

*Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding .

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The entity's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as long-term deposit that were previously classified as held-to-maturity under AASB 139.

*Financial assets at fair value through profit or loss (FVPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, including the foreign currency hedging instrument.

*Equity instruments at fair value through other comprehensive income (FVOCI)*

For investments in equity instruments, not held for trading, an irrevocable election to measure subsequent changes in fair value through other comprehensive income has been made. By applying FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are not reclassified to profit or loss. Dividends from these investments continue to be recorded as income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

*Allowance for expected credit losses*

The expected credit losses (ECL) model uses a forward looking approach to recognise expected credit losses. Instruments within the scope of the model include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The entity considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*Trade and other receivables*

The entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Classification and measurement of financial liabilities*

The entity's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**(g) Impairment of Non-financial Assets**

At each reporting date, the entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash flows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, it is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**(h) Foreign currency translation**

*Foreign currency transactions*

i) Functional and presentation currency

Foreign currency transactions are translated into Australian dollars using the WM/Reuters exchange rates prevailing at the dates of the transactions as published by the Reserve Bank of Australia.

ii) Transactions and balances

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets such as equities classified at fair value through other comprehensive income are recognised in other comprehensive income.

**(i) Trade and other payables**

Trade and other payables represent liabilities outstanding at the end of the reporting period for goods and services received by the entity during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of the recognition of the liability.

**(j) Employee benefits**

**Short-term employee benefits**

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to the employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on bond rates applicable to not-for-profit entities that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in statement of comprehensive income as part of employee benefits expense.

The entity's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

**(k) Cash and cash equivalents**

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months.

**(l) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(m) Comparatives**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. Where an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**(n) Critical Accounting Estimates and Judgments**

The board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

**(o) New or amended Accounting Standards and Interpretations adopted**

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

<b>NOTE 2: REVENUE</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>(a) Revenue from operating activities</b>			
Interest income		593,043	81,522
Distribution and dividend income		5,671,731	7,731,872
Bequests and donations		366,717	162,226
Other income		136,221	24,405
Total revenue from operating activities		<b>6,767,712</b>	<b>8,000,025</b>
<b>(b) Change in fair value of financial assets - other comprehensive income</b>		10,450,009	4,706,019
Total revenue		<b>17,217,721</b>	<b>12,706,044</b>
<b>NOTE 3: EXPENSES</b>			
<b>Surplus (deficit) from operating activities includes:</b>			
<b>(a) Remuneration of the auditor</b>			
- Audit services		39,875	37,086
		<b>39,875</b>	<b>37,086</b>
<b>(b) Employee remuneration</b>			
Expenses recognised for employee benefits:			
- Wages and salaries		1,295,854	1,177,400
- Workers compensation insurance		8,650	6,553
- Superannuation contribution		179,517	144,128
- Employee benefit provisions		121,407	106,143
Employee benefits expense		<b>1,605,428</b>	<b>1,434,224</b>
<b>(c) Foreign currency exchange loss</b>			
Realised foreign currency exchange loss		(9,565,815)	(3,651,939)
Unrealised foreign currency exchange gain		4,513,570	(4,393,972)
		<b>(5,052,245)</b>	<b>(8,045,911)</b>
<b>(d) Giving payments</b>		5,414,260	5,161,535

All donations and payments made during the year in support of our charitable purposes total \$1,772,096 (2022: \$2,169,779). In addition all liabilities for commitments made for future donations and payments have also been recognised and total \$3,642,164 (2022: \$2,991,756).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4: INCOME TAX EXPENSE</b>		
<b>Reconciliation of tax expense</b>		
Profit / (loss) before tax	(7,021,724)	(8,929,811)
Tax expense at the rate of 30%	(2,106,517)	(2,232,453)
Add back tax effect of non-taxable entities	2,142,096	2,292,499
Tax effect of expenses which are deductible for income tax purposes	10,668	(37,635)
Under/over provision of prior year income tax	15,274	-
<b>Aggregate income tax expense</b>	<b>61,521</b>	<b>22,411</b>
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	23,373,048	15,496,323
Total cash and cash equivalents	<b>23,373,048</b>	<b>15,496,323</b>
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables and prepayments	1,264,852	1,053,735
	<b>1,264,852</b>	<b>1,053,735</b>
Distributions and franking credits from financial investments, to be received after 30 June 2023		
<b>NOTE 7: OTHER ASSETS</b>		
Social impact loans receivable	100,000	200,000
Social Impact Investment	100,000	-
	<b>200,000</b>	<b>200,000</b>
<b>Analysis of other assets</b>		
Current	100,000	100,000
Non-current	100,000	100,000
	<b>200,000</b>	<b>200,000</b>

The value reported as social impact loans receivable consists of philanthropic loans to charitable entities that operate a social enterprise business model. These loans have been provided on an interest-free basis and are repayable over 2-4 years. Social Impact investments are an allocation of financial capital towards initiatives that produce social outcomes over a number of years. In the event of a loan default or loss of social impact capital, the balance loan or investment receivable amount will be expensed in that year. All current indications are that these loans and investments will be repaid as planned. There are no indications of default or loss.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 8: FINANCIAL ASSETS**

**NON-CURRENT**

	<b>2023</b>	<b>2022</b>
<b>(a) Financial assets at fair value through other comprehensive income</b>	<b>\$</b>	<b>\$</b>
Managed funds, which include listed and unlisted type entities.	184,123,569	192,230,407
	<b>184,123,569</b>	<b>192,230,407</b>

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Buildings & improvements - at cost	4,241,406	4,241,406
less: Accumulated depreciation	746,582	640,547
	<b>3,494,824</b>	<b>3,600,859</b>
Plant & equipment - at cost	725,004	1,054,671
less: Accumulated depreciation	432,322	685,249
	<b>292,682</b>	<b>369,422</b>
	<b>3,787,506</b>	<b>3,970,281</b>

The board has reviewed the carrying value of its property assets and considers that the current book value does not exceed fair value as at 30 June 2023. An independent valuation was also carried out on the building and improvements assets in April 2020 and the valuation report confirms the valuation of this asset class. There are no current indications of impairment for these assets.

**Reconciliations**

Reconciliations of the carrying amount of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	<b>Buildings &amp; improvements</b>	<b>Plant &amp; equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Carrying amount at 1 July 2022	3,600,859	369,422	3,970,281
Asset write-off	-	(645)	(645)
Depreciation or amortisation expense	(106,035)	(76,095)	(182,130)
Gain / (Loss) on Sale	-	-	-
	<b>3,494,824</b>	<b>292,682</b>	<b>3,787,506</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 10: TRADE AND OTHER PAYABLES**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	31,911	183,605
Giving commitments	5,462,920	4,310,324
Employee benefits	78,829	51,037
Sundry creditors and accruals	1,070,289	5,597,170
Land purchase instalment	200,000	300,000
	<b>6,843,949</b>	<b>10,442,136</b>

**Analysis of trade and other payables**

Current - Giving commitments		4,912,920	3,068,249
Current - Land purchase instalment		100,000	100,000
Current - Trade and other payables		179,395	316,608
Current - NAB foreign currency overlay	23	1,001,634	5,515,204
Non-current - Giving commitments		550,000	1,242,075
Non-current - Land purchase instalment		100,000	200,000
		<b>6,843,949</b>	<b>10,442,136</b>

**NOTE 11: PROVISIONS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Long term employee benefits</b>		
Opening balance at 1 July	45,415	49,853
Additional provisions raised during year	29,783	16,609
Amounts used	0	(21,047)
Balance at 30 June	<b>75,198</b>	<b>45,415</b>

**Analysis of total provisions**

Current	8,251	-
Non-current	66,947	45,415
	<b>75,198</b>	<b>45,415</b>

**NOTE 12: RESERVES**

Financial asset reserve	27,263,890	21,821,845
	<b>27,263,890</b>	<b>21,821,845</b>

**Financial asset reserve**

The financial asset reserve reflects the movement in fair value of the listed and unlisted managed funds, as per Note 8(a), for which the movement in the fair value of such funds has been recorded directly to other comprehensive income.

**NOTE 13: CONTINGENT LIABILITIES**

The entity had no contingent liabilities as at 30 June 2023 (2022: \$0)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 14: CAPITAL EXPENDITURE COMMITMENTS**

The entity had future commitments for capital expenditure as at 30 June 2023. The following table summarises the likely timing of future capital commitments for financial investment assets.

The total of future capital commitments is approximately \$35,338,821 (2022: \$43,510,688). This amount will likely be paid out over the next 5 years in accordance with the below estimated schedule.

	2023	2022
	\$	\$
Years 1-2	18,525,271	28,462,085
Years 3-5	16,813,551	15,048,603
	<b>35,338,821</b>	<b>43,510,688</b>

Due to the complexities in the timing of capital calls, it is uncertain precisely when these funds will be called. These fund commitments are to be sourced from the existing pool of financial investment assets and cash holdings.

**NOTE 15: FAIR VALUE MEASUREMENTS**

**Fair value hierarchy**

The following tables detail the entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Unobservable inputs for the asset or liability.

<b>Consolidated 2023</b>	Level 1	Level 2	Total
	\$	\$	\$
<b>Assets</b>			
Financial assets at fair value through other comprehensive income	71,440,722	112,682,847	<b>184,123,569</b>
Total financial assets	<b>71,440,722</b>	<b>112,682,847</b>	<b>184,123,569</b>
<b>Consolidated 2022</b>	Level 1	Level 2	Total
	\$	\$	\$
<b>Assets</b>			
Financial assets at fair value through other comprehensive income	66,034,657	126,195,750	<b>192,230,407</b>
Total financial assets	<b>66,034,657</b>	<b>126,195,750</b>	<b>192,230,407</b>

There were no transfers between levels during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

<b>NOTE 16: CASH FLOW INFORMATION</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of surplus (deficit) after income tax to net cash inflow (outflow) from operating and non-operating		
Surplus (deficit) after income tax	(7,083,245)	(8,952,222)
Non-cash flows in operating surplus (deficit)		
Depreciation and amortisation	182,130	189,670
Unrealised foreign currency exchange (gain)/loss		0
Net (gain) loss on disposal of non-current assets	645	337
Realised (gain) loss on sale of financial assets	0	0
Change in operating assets and liabilities		
(Increase) decrease in receivables	(1,880,579)	(566,264)
Increase (decrease) in payables	(3,498,187)	5,522,578
Increase (decrease) in provisions	29,783	(4,438)
<b>Net cash inflow (outflow) from operating and non-operating activities</b>	<b>(12,249,452)</b>	<b>(3,810,339)</b>

**NOTE 17: SUBSEQUENT EVENTS**

Due to the further decline in the value of the Australian dollar, since 30 June 2023, the settlement amount of the Board of Benevolence foreign exchange contract resulted in a payment of \$5,058,191 due on settlement. The contract settlement occurred on 22 September 2023.

**NOTE 18: INTEREST IN SUBSIDIARY & CONTROLLED ENTITIES**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary and controlled entities in accordance with the accounting policy described in note 1:

<b>Name</b>	<b>Principal place of business / country of incorporation</b>	<b>2023</b>	<b>2022</b>
		<b>Ownership interest</b>	
BOB Holdings Pty Ltd	Australia	100%	100%
		<b>Controlled interest</b>	
The Trustee for the Hand Heart Pocket Community Fund	Australia	100%	100%
The Trustee for the Hand Heart Pocket Benevolent Fund	Australia	100%	100%

As at 30 June 2023, the two trusts listed are controlled by the Board of Benevolence as the appointed trustee. As the Board of Benevolence has the ability to direct the income, investments and expenditure of the funds, through its trustee powers, the trusts are included in these consolidated accounts.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 19: KEY MANAGEMENT PERSONNEL DISCLOSURES**

The total compensation made to key management personnel of the consolidated entity is set out below and includes all salary and associated costs.

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
Key management personnel are considered to be any person(s) having authority and responsibility for directing, planning and controlling the activities of the consolidated entity, directly or indirectly, including any board member, executive or general manager.	1,017,080	767,302

**NOTE 20: RELATED PARTY TRANSACTIONS**

*Subsidiary*

Interest in subsidiary and controlled entities is set out in note 18.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 19.

*Transactions with related parties*

The Board of Benevolence had no transactions with related parties during the financial year ended 30 June 2023.

**NOTE 21: ASSETS HELD IN TRUST**

The entity accepted the role of Trustee through a testamentary trust, which requires the investment and management of funds for the maintenance of such assets produced.

	<b>2023</b>	<b>2022</b>
	\$	\$
Land at cost	1,700,000	1,700,000
Building at cost	1,437,581	1,437,581
less: accumulated depreciation	(500,872)	(447,942)
	<b>2,636,709</b>	<b>2,689,639</b>
Term deposit / investments - market value	913,005	833,625
Cash at bank	47,845	44,617
Other receivables	19,084	5,721
	<b>3,616,642</b>	<b>3,573,602</b>

In the 2017 year land and buildings held in trust were valued independently by a registered valuer. As at the date of valuation, trust land and buildings were valued at \$3,670,000 (land \$1,817,500 and buildings \$1,852,500).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 22: ENTITY INFORMATION**

The principal place of business is:

Board of Benevolence - Mosaic, Level 1 826 Ann Street Fortitude Valley 4006

**NOTE 23: DERIVATIVE FINANCIAL INSTRUMENTS AND ACCOUNTING FOR HEDGES**

The Group's derivative financial instruments are measured at fair value and are summarised below:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
USD Forward Contract (Purchased 9 June, Expires 22 Sept 23)	90,958,723	112,023,899
EUR Forward Contract (Purchased 10 June, Expires 22 Sept 23)	13,977,117	16,191,760
	<b>104,935,840</b>	<b>128,215,659</b>

Financial assets are hedged to offset gains or losses arising from investments held in USD and EUR currencies.

The effective hedge target is 100% of the value of financial assets held in each foreign currency.

Accounting for hedges resulted in the following impact to surplus/(deficit):	<b>2023</b>	<b>2022</b>
Sept 22 Qtr (Realised)	(7,240,268)	(2,147,075)
Dec 22 Qtr (Realised)	(1,154,328)	(1,050,641)
Mar 23 Qtr (Realised)	(2,071,316)	1,750,298
June 23 Qtr (Realised)	900,097	(2,204,521)
	<b>(9,565,815)</b>	<b>(3,651,939)</b>
<b>Accrual Adjustments:</b>		
Sept 22 Qtr (Unrealised 30 June 22)	5,515,204	1,121,232
Sept 23 Qtr (Unrealised 30 June 23)	(1,001,634)	(5,515,204)
	<b>(5,052,245)</b>	<b>(8,045,911)</b>

The unrealised loss of \$1.0m as at 30 June 2023 (2022: \$5.52m) has been accrued and recognised as an unrealised foreign exchange

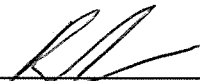
**STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND THE GENERAL MANAGER COMMERCIAL AND COMPANY SECRETARY**

The Chief Executive Officer and the General Manager Commercial and Company Secretary of Board of Benevolence declare that, in respect of the areas of their responsibility:

1. The financial records of the consolidated entity for the financial year ended 30 June 2023 have been properly maintained.
2. The consolidated financial statements and notes, as set out in pages 5 to 22, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including :
  - a. comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Regulations 2013; and
  - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date.
3. In our opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.



S.J.Parrott, Chief Executive Officer  
Board of Benevolence



R.T.Qualtrough, General Manager  
Commercial and Company Secretary  
Board of Benevolence

Dated this 4th day of October, 2023

## RESPONSIBLE PERSONS DECLARATION

In the opinion of the responsible persons of Board of Benevolence:

1. The consolidated financial statements and notes, as set out in pages 5 to 22, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including :
  - a. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Regulations 2013; and
  - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date.
2. In the opinion of the responsible persons, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the responsible persons and is signed for and on behalf of the Board by:



L.J.C. Crombie, Chairperson Audit & Risk Committee

Dated this 4th day of October, 2023



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## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE BOARD OF BENEVOLENCE AND OF AGED MASONS WIDOWS AND ORPHANS' FUND TRADING AS HAND HEART POCKET

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### OPINION

We have audited the accompanying financial report, being a general purpose financial report of The Board of Benevolence and of Aged Masons Widows and Orphans' Fund trading as Hand Heart Pocket and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income for the year then ended, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies, and other explanatory information and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended.
- (b) Complying with Australian Accounting Standards— AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities, Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022

#### 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 Group in accordance with the auditor independence requirements of 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.

#### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The board members are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting and for such internal control as management determines 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, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The board members are responsible for overseeing the Group's financial reporting process.

### 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

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 Group'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 Group'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 Group 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.

**UHY Haines Norton**  
Chartered Accountants



**Darren Laarhoven**  
Partner

Brisbane, 25 October 2023