

Board of Benevolence

2022-23 Annual Review



**HAND[®]
HEART
POCKET**
THE CHARITY OF
FREEMASONS QUEENSLAND



78th Annual Review

The Board of Benevolence and of Aged Masons Widows and Orphans' Fund trading as Hand Heart Pocket the Charity of Freemasons Queensland

ABN 54 216 065 828 Charity No CH2627

(07) 3493 6000 info@handheartpocket.org.au
handheartpocket.org.au

Auditor

UHY Haines Norton Brisbane
Level 11, 42-60 Albert Street
Brisbane Queensland 4000

We acknowledge the Traditional Owners of the Lands on which we operate across Queensland, especially the Yuggera and Turrbal people of Meeanjin (Brisbane), and pay our respects to their Elders, past and present.

Cover photo: Through their giving, fundraising and volunteering, our Members help to keep Freemasonry at the heart of local communities.

Inside cover photo: Our partners work with young people across Queensland and Papua New Guinea to build the life they want for themselves.

Contents

2022-23 Highlights	1	Partnerships.....	10
Message from our Chairman.....	2	Social impact investments.....	14
Message from our CEO.....	3	Responsible investments.....	16
Who we are.....	4	Governance.....	18
Our strategy.....	5	Financial performance	20
Member engagement.....	6		

2022-23 Highlights

Our organisation

Hand Heart Pocket is a philanthropic foundation established by the Freemasons of Queensland, with a history of helping the community for more than 115 years.

Our purpose is to partner for change for people in need. We do this by:

- Working with strategic partners who deliver positive change for people across Queensland and Papua New Guinea, particularly young people in need.
- Backing our Members and their local community partnerships, matching their giving and volunteering, and supporting their efforts to help Queenslanders during times of hardship and natural disasters.
- Taking a stewardship approach to protecting and leveraging our capital and assets, all of which is built on foundations of strong governance.

To find out more about our history, go to our website at handheartpocket.org.au/our-story/



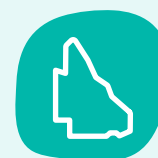
Member engagement



3,810
Members



43
Members
volunteering in their
local communities



70
local community
organisations
supported



24
Matched volunteering
donations



91
Matched Giving
donations

\$290,328
Lodge and
Member giving

1,560 hours
Lodge and Member
volunteering

\$582,563
Matched Giving by
Hand Heart Pocket

\$300,000
disaster response
and disaster
preparedness giving

\$307,356
financial counselling
and hardship giving

Youth-focused partnerships



\$4.22m
giving



1,032
young people
supported



14
strategic and
systems partners

Financial performance



\$5.41m
total giving



\$205.83m
net assets

Message from our Chairman



Delivering on our strategy

Over the past 12 months, Hand Heart Pocket has worked closely with our Members, community partners, and other funders, to drive change for people in need across Queensland and Papua New Guinea.

In line with our purpose-led strategy, in the 2022-23 financial year we gave over \$5.41 million to our community and retained \$3.37 million in earnings within our investment portfolio. We are proud to make these investments in our community and our future, on behalf of the Freemasons of Queensland.

Good governance in practice

This year, we asked stakeholders to provide feedback about our social licence to operate.

Our purpose-led strategy provides a roadmap for the organisation

- We support our Members to engage in their communities.
- We enable our partners to change the social system and create real outcomes for young people at risk.
- We protect and leverage our assets and income.
- We demonstrate integrity, transparency and good governance.

The research explored our reputation, ways of working, leadership, governance, perceptions of Freemasonry, as well as levels of legitimacy and trust.

Participants told us their overall perceptions of Hand Heart Pocket are very positive and our leadership and governance are highly regarded. They value our collaborative approach and appreciate the way we build relationships with stakeholders, connect interested parties, and leverage our contributions. I commend my fellow Board Members and Executive Team for achieving this result.

Our good governance is driven by strong values, which guide our decisions and ways of working. This year, we refreshed our values (which you can read more about on page 4) to better represent who we are and what we stand for.

We continue to appreciate the commitment of our Board, especially our volunteer Member Directors. This year we appointed Craig Reimers, who is a Member of Halcyon Lodge in Toowoomba, to the role of Deputy Chair of the Board.

Maintaining our strong financial position

Despite growing world-wide economic uncertainty, and the impacts of rising interest rates in many markets, we have strengthened our financial position. For the full financial year, our cash and financial assets generated an 8 per cent return on investments.

Our commitment to authentic impact

Hand Heart Pocket is clear on the role we play in driving positive change: we are not just funders; we are also innovators and convenors. We collaborate with partners who work with people in need, providing strategic input, measuring outcomes, and seeking evidence so everyone learns.

We know change takes sustained commitment and collaboration with others around the table so people can thrive. By working together we can achieve more significant, positive outcomes for young people, more efficiently and effectively.

I am proud of our progress and look forward to the year ahead in which Hand Heart Pocket will support Members who are driving change in their own communities and changing the lives of young people through our partnerships. Together, we can really make a difference.

Alasdair Begley
Chairman

Message from our CEO

Guided by our strategy, in 2022-23 Hand Heart Pocket continued to work for meaningful change across Queensland and Papua New Guinea, alongside our Members and strategic partners.

Members' giving and volunteering in their communities

Our Members continue to do incredible work in their communities, giving and volunteering for the causes they care about most. This past year we provided more ways for Members to make a bigger impact by matching both their fundraising and volunteering efforts with donations to their chosen charities. And, for the first time, matching Members' personal giving. During 2022-23 we distributed \$582,563 to 70 local community organisations to match Members and Lodges who gave \$290,328 and volunteered 1,560 hours in their local communities. We hope to build on these efforts in the year ahead.

Supporting young people in need

By 2030, we aim to have enabled 10,000 young people to have the outcomes they need to thrive in adult life. We are on track to meet this goal, having supported 1,032 young people in the past year. In working toward this, we recognise Aboriginal and Torres Strait Islander young people can face additional challenges that require unique approaches. We formed three new partnerships with Aboriginal and Torres Strait Islander

"I thank our Members and partners for their commitment to community and for allowing us to work with them to make a difference for future generations."

organisations who are working to support young people and families in the community. For more on these partnerships, see page 11.

In 2022-23, we distributed \$4.22 million across 14 of our youth-focused partners. While these partnerships focus on change over the long term, in the current economic environment young people and families are facing challenges that need immediate attention. This year we donated an additional \$200,000 to four charities – St Vincent De Paul Society Queensland, Brisbane Youth Service, Micah Projects, and YFS – to help with crisis accommodation costs and emergency relief. We also gave another \$75,000 to our hardship assistance partner, UnitingCare, to support people in financial distress with their immediate needs.

Working together to create change

Together, we are bringing our skills, expertise and resources to the table to work for systemic, positive change for young people in need. Hand Heart Pocket has joined several other organisations in forming the Queensland



FoyerInvest Working Group (which you can read more about on page 14), a bold new partnership to tackle youth homelessness in Queensland. By partnering with others, and advocating to government, we aim to empower young Queenslanders with opportunities that set them up for life. This kind of long-term thinking is what is required for positive systemic change to happen.

Recognising that we all have a part to play in making our communities the best they can be, is what motivates us. It takes government, philanthropy and community to work together to solve the social issues of our time.

I thank our Members and partners for their commitment to community and for allowing us to work with them to make a difference for future generations.

Sara Parrott
Chief Executive Officer

Who we are

Our purpose

Hand Heart Pocket's purpose is to partner for change for people in need. We work with strategic partners who deliver positive change for people across Queensland and Papua New Guinea, particularly vulnerable young people at risk of poor outcomes. We also engage with our Members through local community partnerships, giving, and volunteering, as well as hardship and disaster relief for Queenslanders in times of need. This work is built on foundations of strong governance, and the ongoing protection and leveraging of our capital and assets.

Our values

Our values bind us together and are reflected in everything we do. This year the Board and team reshaped our organisational values and developed five new contemporary statements that better reflect the work we do today. These statements help guide our decision making and ways of working, and are embedded in our everyday practices and annual performance reviews.

Generous Humanity

We honour
Freemason
traditions of
empathy, respect,
friendship and
giving to those
in need.

Optimistic Thinking

We approach
challenges with an
optimistic mindset
to inspire creative
solutions and
positive change.

Open Collaboration

We actively
collaborate with
each other and our
partners to achieve
shared goals.

Purposeful Risk-taking

We apply
judgement to
unlock opportunities
and take risks that
deliver impact and
rewards.

Authentic Impact

We align our
actions with our
intentions and strive
for meaningful
and transparent
contributions to
society.

Our strategy

Join Hand Heart Pocket at the table, a place where people – young and old – come together to be part of something bigger.

Our Members bring experience, time, and money to share with their communities.

Young people work with the important people in their lives to build the future they want.

Partnerships are created for the benefit of young people, and our shared future.

Investment is made in communities to change systems so young people have the structures, protections, and sense of belonging they need to thrive.

Honest and open conversations about what really works (and what has not) challenge us all to improve what we do for young people and the community.

And good governance ensures our table is sturdy and our investments are wise.



Backing our Members' commitment to community

Our local communities thrive when people look out for each other

For over a century our Members have contributed to strengthening the social fabric of Queensland communities through their generosity.

Hand Heart Pocket backs our Members, who come from all walks of life and know what their communities need. The trusted and longstanding relationships they have built means that when we match their donations and volunteering, our giving goes where it's most needed and increases Members' local impact.

Our generous givers

In 2022-23 Members gave their time, experience, and money to local causes and local community organisations to support people in need. This year, our Members supported 70 organisations through 24 volunteer activities and 91 instances of giving or fundraising. This activity was matched by Hand Heart Pocket, doubling their donations.



70 local community organisations supported



24 Matched volunteering donations



91 Matched Giving donations



\$290,328 Lodge and Member giving



1,560 hours Lodge and Member volunteering



\$582,563 Matched Giving by Hand Heart Pocket



Sharing experience, time, and money

As our eyes and ears on the ground, Members have achieved much in their local communities again this year. Here is a snapshot of just some of the ways Members are investing their time, expertise, and money to make a difference locally.

\$1,440. Atherton locals in need can keep in contact with family and other social connections, and access vital services, with mobile phones from Better Together Community Support Inc.

\$8,250. Elderly residents at Nanyima Aged Care in Mirani are experiencing greater wellbeing with new sensory equipment.

\$21,000. People living with cancer will have access to cancer-care services at Cairns COUCH Ltd.

\$4,000. Young people living with disability will continue to enjoy freedom on the water with Sailability Sunshine Coast.

\$11,000. Residents on the waterways of Hervey Bay will continue to be in safe hands with Volunteer Marine Rescue Hervey Bay.

\$2,850. Young people were supported to participate in a traditional debutant ball run by Emergency & Long Term Accommodation Moranbah Inc.

Read about our local giving on our website at handheartpocket.org.au/news



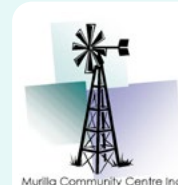
Member-led Local Community Partnerships make a bigger impact

Lodges looking to make a bigger impact in their community can connect with a local cause to form a Local Community Partnership – a two-year commitment that taps into Hand Heart Pocket's guaranteed \$10,000 p.a. contribution. Members also have their volunteering hours and fundraising dollars matched.

This year, the Miles Lodge created a Local Community Partnership with Murilla Community Centre, which received a \$22,900 donation from Hand Heart Pocket as well as 258 hours of volunteering time thanks to the efforts of local Members. The money is helping to keep the vibrant hub heaving with activity.

Similarly, in the first year of their Local Community Partnership with Protea Place, the Toowoomba and District Masonic Council contributed \$18,093 from Hand Heart Pocket, \$4,318 from the District, and 76 hours of volunteering time to help buy furnishings to support women starting anew after experiencing domestic violence and homelessness.

Another three Local Community Partnerships in other parts of Queensland are in the pipeline and are due to be established before the end of the 2023 calendar year.



CASE STUDY

Turning a house into a place of respite

Walking through the doors of the newly renovated respite facility at Kippa-Ring, Freemason John Woodford is filled with pride and appreciation.

He has overseen months of renovations to turn the low-set brick home into short-term respite accommodation for young people with complex care needs in the Moreton Bay region.

The purpose-built facility is just a few minutes up the road from No Boundaries Disability Support, a day centre long backed by Freemasons.

“We can now host two young people and their carers for up to two weeks at a time in this new space, giving the young people an exciting getaway, and their families the chance to rejuvenate,” John says.

“It’s an extension of what is provided at No Boundaries – creating opportunities for young people with high-care needs to experience life to the fullest.

Members’ and Lodges’ fundraising, volunteering, and partnerships help to raise the profile of Freemasonry, and keep them at the heart of local communities.



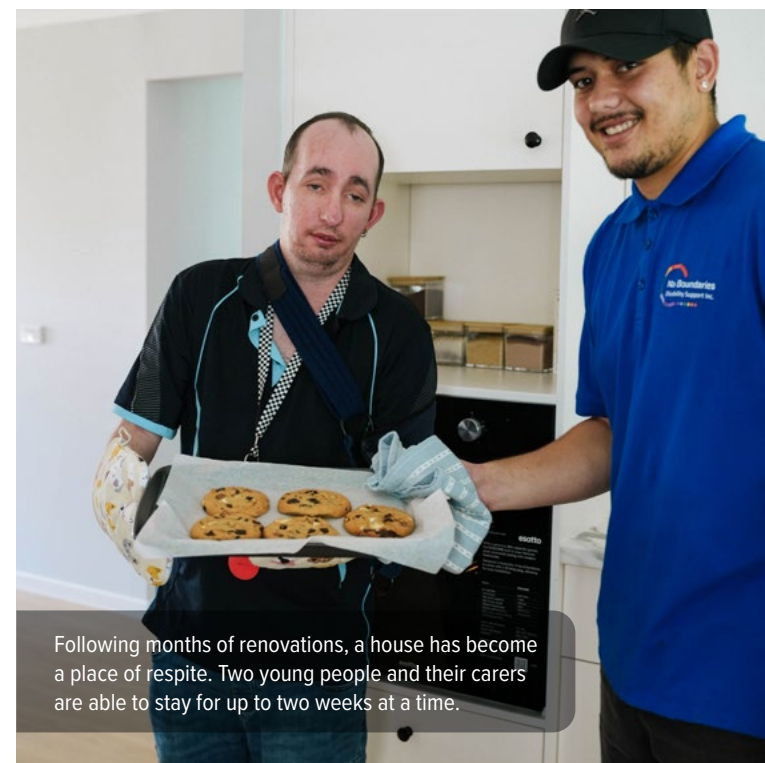
John Woodford, Freemason and President of No Boundaries Disability Support, appreciates Hand Heart Pocket recognising Members’ considerable volunteering efforts.

“We support 75 people aged 18-65 at No Boundaries and our goal has always been to increase the services and activities offered to them to enrich their lives even more.”

Key features of the new facility include a spacious living room and kitchen that opens up to an activity area. The backyard has a beautiful grassed area, a fruit tree garden and is accessible by wide concrete paths.

In 2022-23, five Members and one Lodge supported No Boundaries through Hand Heart Pocket’s Matched Giving program. Hand Heart Pocket donated \$37,000 to match the Lodge’s giving, and Members’ volunteering on the management committee, and with yard work. The money went towards purchasing appropriate furnishing for the centre.

Hand Heart Pocket’s association with No Boundaries Disability Support dates back to 2011, when substantial funds were bequeathed from the Rex Elson Estate, a Freemason who left his wealth for charitable efforts in the Redcliffe Peninsular. ●



Following months of renovations, a house has become a place of respite. Two young people and their carers are able to stay for up to two weeks at a time.

CASE STUDY

Empowering financial resilience

Our Members are helping people facing financial hardship to overcome one of their biggest challenges – asking for help.

Financial Counsellors at UnitingCare are at the forefront of witnessing the trends shaping the lives of those seeking support. One consistent barrier that emerges is the overwhelming feeling of shame that often prevents people from reaching out for assistance. However, UnitingCare Financial Counselling Senior Practitioner, Janene O'Donnell, emphasises that the goal is to replace judgment with understanding and action. Janene acknowledges that life's unexpected twists – be it an illness, an injury, or a sudden expense – can rapidly plunge someone into financial difficulty.

UnitingCare's counsellors adopt a holistic approach that extends beyond financial advice, providing a safe space for people to share their challenges without fear of judgment. By embracing a comprehensive view of their circumstances, participants are able to gain a clearer perspective of their financial situation. Personalised plans that cater to the individual's unique circumstances and aspirations empower participants to pave a path toward financial stability.

This underscores the essence of the partnership between UnitingCare and Hand Heart Pocket. "We make sure people feel heard and not judged. Together we can work on a plan forward," Janene says.



Amid the many stories of triumph that emerge from UnitingCare's financial resilience program, one example stands out. A woman, let's call her Sarah, found herself facing overwhelming debt after a sudden job loss and a medical emergency. Stricken by shame and despair, Sarah was hesitant to seek help.

With the support of UnitingCare's counsellors, Sarah confronted her challenges. They helped her assess her full financial position, developing a personalised plan that considered her immediate needs and long-term aspirations. This approach enabled Sarah to regain control of her finances and, most importantly, her sense of agency. Today, Sarah is resilient. She has proven that with the right guidance, people can rise above their circumstances and reclaim their lives. ●

Our relationships

\$15,000 for disaster relief in north west Queensland through **GIVIT**

GIVIT

\$285,000 in disaster preparedness for local communities through the **Foundation for Rural & Regional Renewal**

FRRR
Foundation for Rural
Regional Renewal

\$250,000 each year for three years for financial counselling through **UnitingCare**

 **UnitingCare**

\$307,356 one-off hardship assistance for individuals through **five partners** and direct support

You can help people in your community overcome financial hardship by sharing information about the free Financial Counselling service provided by UnitingCare, in partnership with Hand Heart Pocket.

handheartpocket.org.au/hardship-assistance/



A seat at the table for young people

Young people are at the heart of the partnerships we build

As the largest philanthropic foundation in Queensland, we work with others to tackle one of the most pressing social issues of our time: the lack of support for young people facing hardship and adversity.

We collaborate with other funders, academics, and community leaders to contribute to building the social systems and structures needed for future generations to thrive.

In 2022-23, we distributed \$4.22 million across 14 strategic youth-focused partners to help create positive change for young people facing adversity.

As an accountable public charity, all our funding decisions are guided by evidence and measured to ensure our giving makes a difference. For us, good governance drives wise investments.



**14 strategic
and systems
partners**



**\$4.22m
strategic
giving**

Bravehearts

EDUCATE + EMPOWER + PROTECT

\$400,000 partnership extension for one additional year, to support young people at risk of engaging in harmful sexual behaviour to receive therapeutic counselling.

BRISBANE YOUTH SERVICE

NEW FUTURES FOR YOUNG PEOPLE

\$915,000 over three years, to help young people and their families at risk of experiencing homelessness to find stable housing and re-engage in their community.

MICAH PROJECTS



**Breaking Social Isolation
Building Community**

\$1.5 million over three years, to assist young parents to build support networks and re-engage in employment and training in Brisbane and Caboolture.



Save the Children

\$500,000 over three years, to train young people in the Life Skills for Success program and set them up for success in education and employment in Papua New Guinea.



\$730,577 over three years, to support young people in regional Queensland through counselling, peer support and mentoring, and case management support provided by a youth support worker.



\$1.05 million partnership extension over three years, to support vulnerable young parents to break the cycle of intergenerational disadvantage and build their capacity through a tailored program focused on stable housing, safe relationships, and employment.



**Thriving Queensland
Kids Partnership**
connect • catalyse • learn

\$1.2 million over three years, to fund a Queensland first: a partnership bringing together community groups, policy makers, researchers, and funders to collaborate on improving long-term outcomes for at-risk children and young people.



\$800,000 partnership extension over two years, supporting young Aboriginal and Torres Strait Islander girls in Townsville to stay engaged in learning, and secure training or employment once they finish school.



Central Queensland Indigenous Development

\$250,000 one-year partnership to kickstart the curriculum development and consultation for site development at the first independent, Indigenous-led secondary school in the Rockhampton region.



ChildProtectionPeak

\$1.2 million three-year partnership to support Aboriginal and Torres Strait Islander young people across Queensland to live safely within their own communities, as major systems-level reforms are undertaken in the child protection system.

Aboriginal and Torres Strait Islander partnerships

Recognising Aboriginal and Torres Strait Islander communities are faced with greater and unique challenges, Hand Heart Pocket is partnering with organisations to rethink some of the systems Aboriginal and Torres Strait Islander young people need to thrive.

Shaping a better system for children and their families

Currently, most Aboriginal and Torres Strait Islander children in out-of-home care live with foster carers or in residential care with strangers. These early setbacks can cause challenges and negative outcomes, including poor education and health, a lack of stability, reduced family and cultural connections, and an increased risk of contact with the criminal justice system.

Supporting Aboriginal and Torres Strait Islander children, young people and their families to live safely within their own communities will positively change the trajectory of their lives.

The Queensland Aboriginal and Torres Strait Islander Child Protection Peak (QATSICPP) is working with the State Government to undertake major systems reform to improve outcomes for children, families and communities over the next 20 years.

Giving Aboriginal and Torres Strait Islander families decision-making authority will empower more children to achieve their potential.

We are partnering with QATSICPP by giving \$1.2 million over three years. This investment will help build the capacity and capability QATSICPP needs to plan, implement, and measure the reforms.

We grow learning

Education is key to young people's development, growth, and economic participation.

To increase the proportion of Aboriginal and Torres Strait Islander children completing Year 12 or equivalent, Central Queensland Indigenous Development Limited (CQID) is establishing an independent school in Rockhampton, the Nullu Badi Ngudyubay Academy (which means We Grow Learning).

As an independent, Indigenous-led secondary school, the Academy will introduce a unique curriculum, based on Indigenous culture, language and knowledge. It will welcome young people from all backgrounds and provide those who need extra support with a more customised learning approach. Wraparound support including primary health, allied-health services and family support will also be available to the students and community.

Our \$250,000 one-year partnership will allow CQID to kick start development of the unique curriculum, and cover consulting for site development applications and grant applications.

The hardships our young people are facing



Young people today are having to contend with a growing number of social and economic pressures. Hand Heart Pocket believes that if we start by supporting our most vulnerable young people to realise their potential, we can make Queensland a better place for future generations.

23.8% of early school leavers in Queensland have not found work and have not pursued further study.

37% of the homeless population in Queensland are young people aged 12-24.

62% of respondents to the National Youth Mental Health Survey said they felt lonely.

52% of respondents to the Mission Australia Youth Survey did not volunteer in their community.

Measuring our young people's outcomes

Our Youth Outcomes Measurement Framework helps us to show the value of our investments into programs and initiatives that help young people in need to make long-term positive changes in their lives.

To understand how the programs we invest in are working, our partners assess if young people have developed new skills, are demonstrating different behaviours, or are getting closer to their community and culture.

The six outcome areas we are using are those that everyone needs to thrive in adult life. This includes securing material basics and a safe home; building respectful relationships and support networks; embracing culture, identity and participation in the community; seeking physical and mental wellbeing; gaining an education and building skills for the future; and finding employment and participating economically.



Secure material basics and a safe home



Build respectful relationships and support networks



Embrace culture, identity, and participation in community



Seek physical and mental wellbeing



Gain an education and build skills for the future



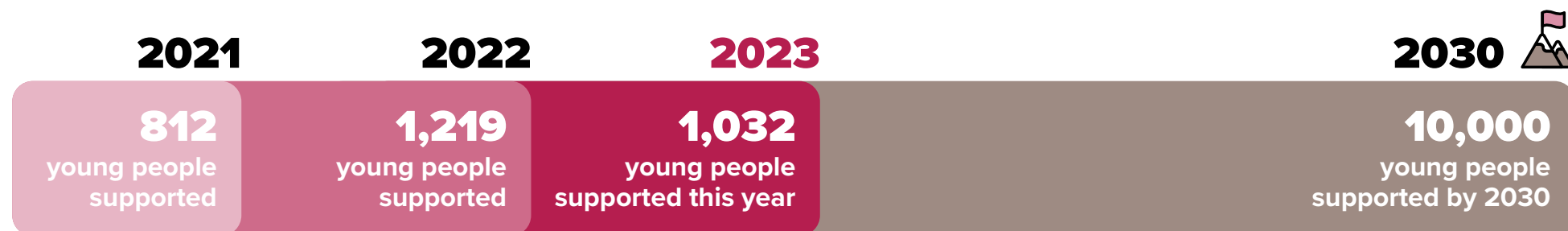
Find employment and participate economically

Sources: ABS, Census Data; (2023) <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release#state-and-territories>
 2022 Early School Leavers Survey; Queensland Department of Education; (2022) <https://qed.qld.gov.au/our-publications/reports/statistics/Documents/esl-statewide-summary.pdf>
 2022 Headspace National Youth Mental Health Survey; (2022) https://headspace.org.au/assets/20221220_Infographic-headspace-loneliness_Dec_2022.pdf
 Mission Australia Youth Survey Report 2022 Queensland Sub report; (2022) <https://www.missionaustralia.com.au/publications/youth-survey/state-reports-2022/2615-youth-survey-2022-state-sub-report-qld/file>

Enable 10,000 young people to have the outcomes they need to thrive in adult life.

We have a big goal – by 2030, to enable 10,000 young people to have the outcomes they need to thrive in adult life. We are measuring the impact we are making through our community partners, who work with young people to build supportive relationships and reach their goals.

Hand Heart Pocket supported 1,032 young people through our partnerships this year, reaching a total of 3,063 since 2020. Momentum is building as our partners learn and continuously improve their practices, and we work together more effectively.



Our community partners provided programs across four key areas for the 1,032 young people supported in 2022-23. These areas included therapeutic interventions such as family conflict resolution counselling, integrated support like providing access to safe housing along with wraparound support for multiple facets of their lives, early intervention such as mentoring to help young people remain engaged in school, and a two-generation parenting approach where both young parents and their children can learn and grow together.

1,032 young people supported in 2022-23



Deploying our capital to impact-first investments



We look for social impact investments that are catalytic.

In 2022-23 we began to explore opportunities to invest our capital in investments that will generate both social impact and financial returns. This approach means we can create positive social outcomes from our investments as well as our giving.

We look for social impact investments that are catalytic, where we can be risk tolerant and accept concessional returns, attracting other investors to also create positive outcomes. Our goal is to recycle our capital, investing to have it returned to invest again for more impact.

Two new social impact opportunities that we have participated in are providing pathways for young people to overcome the barriers they face, and build a promising future for themselves.

White Box Enterprises Payment by Outcomes Trial

In Australia, working-age people with disability have a lower employment rate (48 per cent) than those without disability (80 per cent)[†]. To help address this issue, this year Hand Heart Pocket became one of three investors, including Macquarie Group Foundation and Tripple, to invest in the White Box Enterprises Payment by Outcomes Trial.

Our investment has helped create employment pathways for 132 people with a disability or mental illness at 16 social enterprises; 45 per cent of these participants are aged 17-24. This approach gives young people a chance and the confidence to work as they develop their skills. The Australian Government has also contributed towards this trial.

FoyerInvest Consortium

In Queensland, 37 per cent of people experiencing homelessness are aged under 25 years.

The Youth Foyer model of supportive housing provides safe accommodation for young people facing homelessness, along with learning and employment support, all under one roof. Eighty per cent of young people who live in a Youth Foyer move on to live independently in mainstream housing after just two years, breaking the cycle of intergenerational disadvantage.

The Foyer Foundation has an ambitious goal of creating 50 new Youth Foyers across Australia by 2030. Hand Heart Pocket has joined the FoyerInvest Consortium and invested in their capacity to coordinate multiple Queensland stakeholders to build six new Youth Foyers in Queensland. This will create around 240 new homes and support 2,000 young people over the next 10 years.

What is social impact investing?

Social impact investing brings together investment capital and expertise from the public, private and not-for-profit sectors to achieve a social objective. These investments can also be used to finance social services and social infrastructure where payments are made based on achieving agreed social outcomes.*

* NSW Government Social Impact Investment (2023) <https://www.osii.nsw.gov.au/what-is-social-impact-investing/>

[†] Australian Institute of Health and Welfare, People with disability in Australia (2022) <https://www.aihw.gov.au/reports/disability/people-with-disability-in-australia/contents/employment/employment-rate-and-type>



David (second from left) has now moved out of the Youth Foyer and into stable housing. He has gained his driver's licence, full-time employment, and is considering further study.

CASE STUDY

A launch pad for young people to thrive

David changed his trajectory while living in a Youth Foyer, a supportive community for young people.

He is now advocating for the same support to be available to more young people at risk of homelessness across Australia.

"I was helped at a time when I had lost all hope," David says.

Now in his early 20s, David's journey began when he lost his job in 2019. His battle with mental illness worsened during the COVID-19 pandemic, and he ended up couch surfing for close to a year.

"Living in a Youth Foyer gave me the opportunity to start focusing on building my future, whether it was getting help, studying or seeking full-time employment," he says.

Youth Foyers are integrated support, learning and accommodation settings for young people at risk of homelessness. Within two years, a young person is ready to spread their wings and take on new and exciting challenges.

David has now moved out of the Youth Foyer and into stable housing. He has gained his driver's licence, full-time employment, and is considering further study.

"I became a much more confident, mature and experienced person coming out of the Youth Foyer and I'm forever grateful," David says.

For young people like David, Youth Foyers offer a pathway out of homelessness towards an independent future, and save governments \$172,417 per young person in lifetime costs.* ●

Read Accenture's [Under One Roof](#) report, validating the need for more Youth Foyers across Australia



Solutions to homelessness for young people in Queensland



1.2 years

is the average time a young person stays at a Youth Foyer, equipping themselves with what they need to thrive.



80% of young people exit into safe and stable housing.



65% of young people gain secure and decent employment.



6:1 return on investment

For every additional \$1 of investment, Youth Foyers deliver \$6 in benefits to governments.

foyerfoundation

* Foyer Foundation (2022) Foyer Snapshot; Accenture analysis. https://foyer.org.au/wp-content/uploads/2023/04/FoyerFoundation_UnderOneRoof_FULLReport2023.pdf

Protecting and leveraging our capital and assets

Our charitable work is powered by the financial assets built up by past generations of Freemasons. By continuing to manage these assets responsibly, we ensure Hand Heart Pocket's philanthropic giving can continue in perpetuity.

Our Investment Committee, Chief Investment Officer, and Executive Team develop our investment strategy and work closely with our investment advisors, Cambridge Associates, to manage our investment portfolio. At the end of 2022-23 we had \$207.50 million of financial assets invested.

Responsible investing

As a charity that values honest conversations about what works (and what does not), we hold ourselves and our investment partners to high performance and ethical standards. Our investments and our philanthropic partnerships are managed under our Responsible Philanthropy and Investment Policy, which is aligned to the United Nations Sustainable Development Goals.

We continue to diversify our investment portfolio to achieve our financial objectives, and invest sustainably, monitoring and managing the risks and opportunities that arise from strong environmental, social and governance (ESG) performance.

As such, our whole portfolio is responsibly invested: we avoid harm and consider how we can deploy capital to investments that benefit society and contribute additional social and environmental impact, as well as a healthy return.

Our investment relationships

Our overall financial objective is for our investments to earn an average annual return of 4.5 per cent, after fees and inflation, averaged over three years (real return).

During 2022-23 we held 37 investments with 26 different investment fund managers, alongside our impact investments.

Cambridge Associates has been our investment advisors since 2016, when our philanthropic fund was established.



BeyondNetZero

Hand Heart Pocket is committed to responsible investment and BeyondNetZero is one example of a private equity investment that contributes positive outcomes for both our environment and our society. The United States-based growth equity investment manager is a new climate venture from General Atlantic and focuses on identifying entrepreneurs

who are addressing climate-focused problems and helps them scale. BeyondNetZero invests in four central themes that have the potential to combat climate change if adopted by a large number of investors: decarbonisation, energy efficiency, resource conservation, and emissions management.

L1 CAPITAL

L1 Capital

Hand Heart Pocket believes that properly managing social and environmental risks and opportunities translates into better financial returns over the long term. Australian-based L1 Capital seeks to achieve strong, positive, risk-adjusted returns over the long term by focusing on analysing individual stocks and de-emphasising the significance of macroeconomic and market cycles. In 2022, L1 Capital updated its ESG and Responsible Investment Policy and approach to provide a deeper understanding of ESG risks and increase long-term returns.

Our financial outcomes



**\$205.83m
net assets**



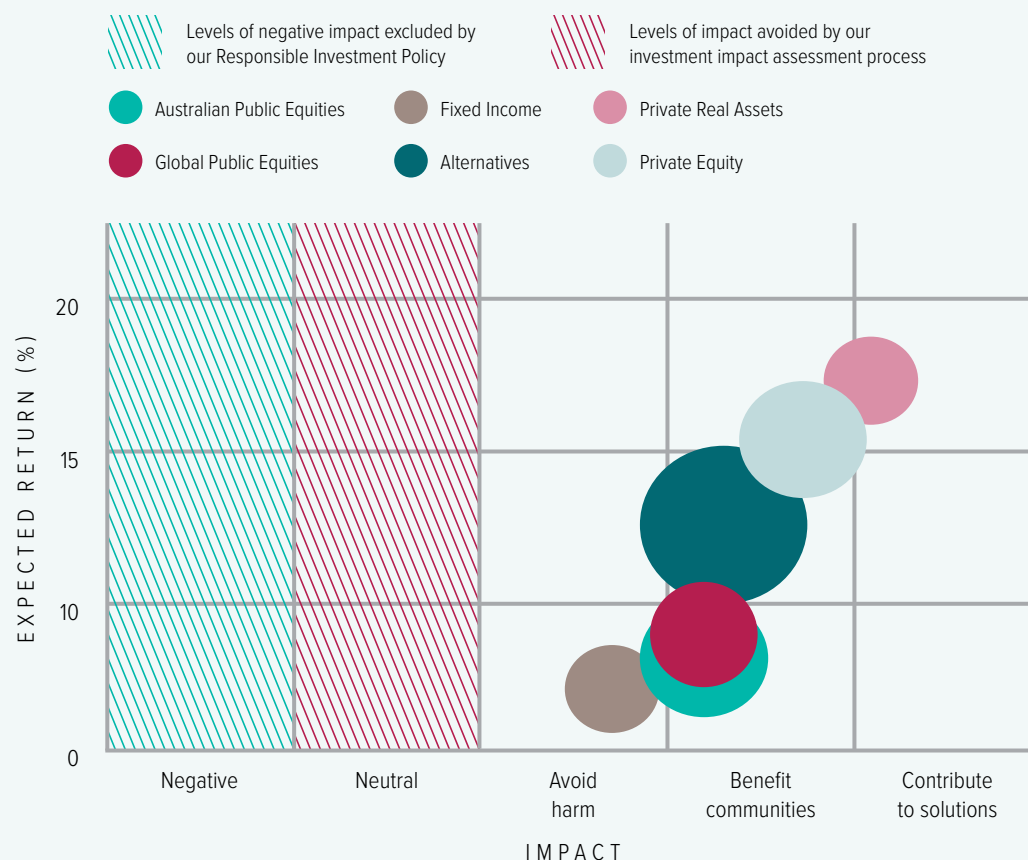
**\$207.50m
cash and
financial
assets**



**8 per cent
return on cash
and financial
assets**

Our impact

This chart represents the size and allocation of Hand Heart Pocket's financial assets. Each circle represents an asset class, and its size is indicative of the amount allocated within our portfolio. The position of each circle demonstrates each asset class' expected return on the vertical axis, and the level of positive social impact we expect to see on the horizontal axis (based on the ABC classification of the Impact Management Project*).



Our alignment to the Sustainable Development Goals

We strive to manage and measure our positive social and environmental impact. We align to the 17 United Nations Sustainable Development Goals, that define global sustainable development priorities and aspirations for 2030 adopted by the United Nations General Assembly. The Goals call for action to address significant economic, social and environmental challenges such as poverty, inequality, health and wellbeing, and climate action.

We recognise that we have the greatest impact on:



* Impact Frontiers (2023), <https://impactfrontiers.org/norms/abc-of-enterprise-impact/outcome-level/>

Our responsible decision making

Our approach to good governance

The Freemasons have proudly served the community for well over a century. The Board of Benevolence and of Aged Masons Widows and Orphans' Fund has been a public charity since 1978 when the organisation was incorporated under Letters Patent. We now hold Queensland's largest in-perpetuity philanthropic corpus with \$207.50 million under management.

Our Board's role is to oversee the organisation's strategic direction and performance. Maintaining transparency and accountability among our stakeholders is paramount to our work. We are also regulated by the Australian Charities and Not-for-Profit Commission (ACNC), which enforces the *ACNC Act 2012 (Cth)*.

Here is an overview of the initiatives undertaken by our Board during 2022-23:

Risk management

- monitored the effectiveness of our Enterprise Risk Management Framework through quarterly reporting
- undertook horizon scanning for risk identification and planning
- reviewed our Risk Appetite Statements
- adjusted annual insurance cover to meet ongoing requirements
- monitored compliance actions
- undertook a cyber security review, to identify areas for improvement.

Strategy

- completed a review of our strategy and key strategic performance indicators
- reviewed and approved all new partnerships that help us to deliver on our strategy
- expanded our collaboration efforts with the aim of leveraging our giving.

Leadership

- updated the organisational values and included behaviour statements
- reviewed Board composition and Director skills assessment
- reviewed our Board succession plan
- monitored KPIs for the CEO, linked to our strategy.

Governance

- implemented a Board portal to enhance governance capability and confidentiality
- conducted a detailed review of our governance systems

- reviewed and updated the Governance Calendar and Compliance Calendar
- engaged with our auditors on the annual audit of our financial statements
- reviewed our Authorisation Matrix and delegations
- reviewed our Responsible Investing and Philanthropy Policy implementation.

Operations

- promoted collaboration in the philanthropic sector by establishing a Queensland hub, and networking with other state hubs
- increased our investment return profile while lowering overall risk exposure
- enhanced our ESG integration across the investment portfolio
- increased awareness of Aboriginal and Torres Strait Islander culture
- implemented a hub-based Health, Safety and Environment Committee.

Member relations

- held a Champions Workshop event to provide our Member Champions with information about our current program and member engagement
- undertook regular Member reporting at Quarterly Communications meetings
- invited Members to attend our annual Year in Review event
- attended Lodge group meetings to promote Members' community efforts and to share updates on our progress and performance results
- updated Member programs after our Member survey, to improve the Member experience and leverage their community engagement efforts.

Our governance relationships during 2022-23

Our Board Members bring their vision, expertise and enthusiasm to the table. With a combination of volunteer Member Directors and Independent Directors who are paid for their expert skills, our Board has the right balance of industry knowledge and highly-skilled Freemason Members.

The Board meets six times a year to oversee performance, progress in our strategy implementation, and risk management.

This year we appointed a new Deputy Chairman, Craig Reimers, who has been a Director since 2021. Craig has been a Freemason for 15 years and his expertise in strategic planning and system design is vital for achieving our purpose and our plans to increase Member engagement.



Alasdair Begley

*BSurv, Reg Surv (Cad),
EMBA, GAICD*

Chairman

Member, Tuscan-Kianawah Lodge, UGLQ

Chair, Nominations and Remunerations Committee

Member, Investment Committee

Meetings attended 12/12



Craig Reimers

*GCertSafLead, AdvDipHRM,
AdvDipOHS, DipQA,
DipSecurityRiskMg*

Deputy Chairman (appointed in May 2023)

Member, Halcyon Lodge, UGLQ

Member Toowoomba and District Masonic Council, UGLQ

Member, Nominations and Remunerations Committee

Member, Finance Risk & Audit Committee

Meetings attended 12/12



Dr Jason Bingham

*BAHum, MBA, DBA, PMP,
GAICD*

Director

Member, Mt Pleasant Lodge, UGLQ

Member, Nominations and Remunerations Committee

Member, Finance Risk & Audit Committee

Meetings attended 8/12



Jeff Harper

AFSM

Director

Grand Master, UGLQ

Member, Nominations and Remunerations Committee

Meetings attended 6/8



Paul Reeve

*BA (Hons) Philosophy,
Politics and Economics*

Director

Chair, Investment Committee

Meetings attended 10/12



Jane Crombie

BHMS, MBA, GAICD, FGIA

Director

Chair, Finance Risk & Audit Committee

Member, Investment Committee

Meetings attended 14/14



Lisa Siganto

MBA, BEng(Civil)Hons

Director

Member, Investment Committee

Meetings attended 9/10



Kirby Leeke

*CA, CPA, BBus
(Accounting)*

Director (retired December 2022)

Member, Baden Powell Lodge, UGLQ

Member, Finance Risk & Audit Committee

Member, Investment Committee

Meetings attended 4/6

Financial performance

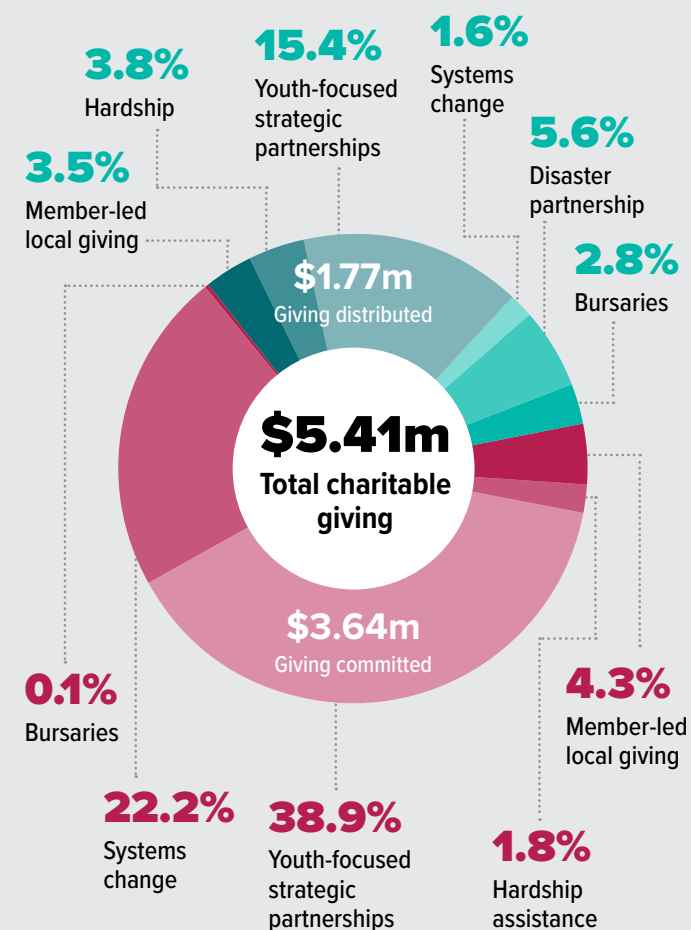
During 2022-23 we gave a total of \$5.41 million to the community across Queensland and Papua New Guinea, which consisted of \$1.77 million in giving distributed and \$3.64 million in giving committed to multi-year partnerships.

Expenses associated with governance, communications and partnership administration were consistent with previous years.

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

	2023 \$	2022 \$
Revenues from operating activities (Income from managed fund investments and donations)	6,767,712	8,000,025
Operating expenses	(8,193,046)	(11,578,631)
Giving payments	(1,772,096)	(2,169,779)
Giving commitments	(3,642,164)	(2,991,756)
Surplus (deficit) from operating activities before depreciation and amortisation and income tax expense	(6,839,594)	(8,740,141)
Depreciation and amortisation	(182,130)	(189,670)
Income tax expense	(61,521)	(22,411)
Surplus (deficit) for the year	(7,083,245)	(8,952,222)
Change in fair value of financial assets (growth of managed fund investments)	10,450,009	4,706,019
Total comprehensive income (deficit) for the year	3,366,764	(4,246,203)

Charitable giving



For the full financial year, our cash and financial assets generated an 8 per cent return on investments.

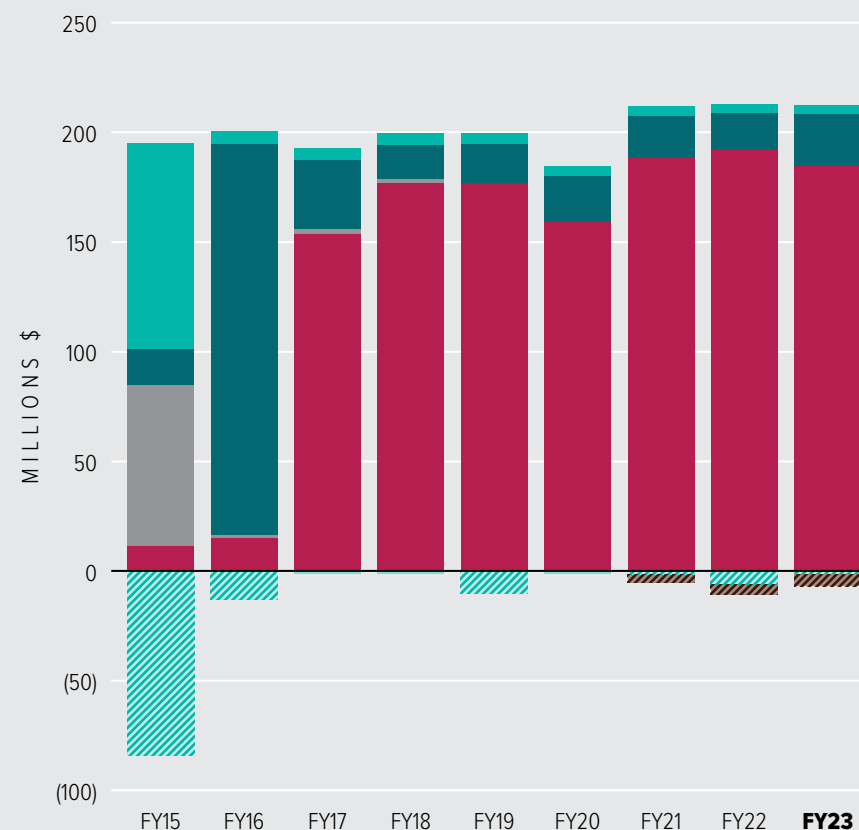
Access our audited financial statements, Annual Information Statements, and Constitution via the [Australian Charities and Not-for-profits Commission website](#).

EXTRACTS FROM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2023

	2023 \$	2022 \$
Current assets		
Cash and other current assets	24,737,900	16,650,058
Non-current assets		
Financial assets at fair value through other comprehensive income	184,123,569	192,230,407
Property, plant and equipment and other non-current assets	3,887,506	4,070,150
Total assets	212,748,975	212,950,615
Liabilities		
Giving commitments	5,462,920	4,310,324
Other liabilities	1,456,228	6,177,227
Total liabilities	6,919,148	10,487,551
Net assets	205,829,827	202,463,064

Net assets



handheartpocket.org.au

