

**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 2024

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 group) for the financial year ended 30 June 2024.

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	
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 \$14,441,761 (2023: \$3,366,764). A significant return on investments during the year. All future spending will continue to be determined and set in accordance with the spend policy, which is calculated on a rolling 12-quarters (3-year) corpus average value.

BOB Holdings Pty Ltd, a wholly owned subsidiary paid a fully franked dividend during the year of \$148,000 to its parent entity. Also during the year \$16,307 tax was paid.

In the 2024 year, the principal activity of the group 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 group. 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 \$3,032,524 (2023: \$1,772,096). All grant obligations due in future financial years have also been brought to account through our giving commitments totalling \$2,457,000 (2023: \$3,642,164).

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 group, the results of those operations, or the state of affairs of the group in future financial years.

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

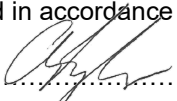
The group was not a party to any such proceedings during the year.

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 group 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, 9th day of October, 2024


.....

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


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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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) no contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

UHY Haines Norton
Chartered Accountants



Darren Laarhoven

Partner

Brisbane, 8 October 2024

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

		2024	2023
	Note	\$	\$
Revenues from operating activities	2(a)	4,287,170	6,767,712
Employee benefits expense	3(b)	(1,881,233)	(1,605,428)
Consultancy and legal		(249,338)	(254,914)
Investment management fees		(1,248,219)	(975,415)
Foreign currency exchange gain/(loss)	3(c)	(596,225)	(5,052,245)
IT & Computer license fees		(161,637)	(120,393)
Insurance		(32,623)	(29,518)
Rates and body corporate charges		(64,474)	(57,828)
Repairs, maintenance and replacements		(9,858)	(5,279)
Giving payments	3(d)	(3,032,524)	(1,772,096)
Giving commitments	3(d)	(2,457,000)	(3,642,164)
Loss on disposal of property, plant and equipment		-	(645)
Other expenses from operating activities		(108,117)	(91,381)
Deficit from operating activities before depreciation and amortisation and income tax expense		<u>(5,554,078)</u>	<u>(6,839,594)</u>
Depreciation and amortisation	9	(166,196)	(182,130)
Income tax expense	1(a),4	(54,896)	(61,521)
Deficit for the year		<u><u>(5,775,170)</u></u>	<u><u>(7,083,245)</u></u>
Other comprehensive income			
Change in fair value of financial assets (managed fund investments)	1(d),2(b)	19,805,720	10,450,009
Change in fair value of property assets		411,211	-
Other comprehensive income for the year		<u><u>20,216,930</u></u>	<u><u>10,450,009</u></u>
Total comprehensive income for the year		<u><u>14,441,761</u></u>	<u><u>3,366,764</u></u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	5	10,452,990	23,373,048
Trade and other receivables	6	1,782,728	1,264,852
Other assets	7	-	100,000
		<hr/>	<hr/>
Total current assets		12,235,718	24,737,900
		<hr/>	<hr/>
Non-current assets			
Other assets	7	100,000	100,000
Financial assets at fair value through other comprehensive income	8(a)	209,286,755	184,123,569
Property, plant and equipment	9	4,047,335	3,787,506
		<hr/>	<hr/>
Total non-current assets		213,434,090	188,011,075
		<hr/>	<hr/>
Total assets		225,669,808	212,748,975
		<hr/>	<hr/>
Current liabilities			
Giving commitments	10	3,909,307	4,912,920
Trade and other payables	10	364,231	1,281,030
Provisions	11	20,655	8,251
		<hr/>	<hr/>
Total current liabilities		4,294,194	6,202,202
		<hr/>	<hr/>
Non-current liabilities			
Giving commitments	10	1,058,000	550,000
Other payables	10	-	100,000
Provisions	11	46,028	66,947
		<hr/>	<hr/>
Total non-current liabilities		1,104,028	716,947
		<hr/>	<hr/>
Total liabilities		5,398,222	6,919,148
		<hr/>	<hr/>
Net assets		220,271,588	205,829,827
		<hr/>	<hr/>
Equity			
Retained surplus		177,319,485	178,565,937
Reserves	12	42,952,103	27,263,890
		<hr/>	<hr/>
Total equity		220,271,588	205,829,827
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The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2022	180,641,219	21,821,845	202,463,064
Deficit from operating activities	(7,083,245)	-	(7,083,245)
Total other comprehensive income for the year:			
Change in fair value of financial assets (managed fund investments)	-	6,211,027	6,211,027
Unrealised foreign currency exchange loss on financial assets	-	3,664,695	3,664,695
Realised foreign currency exchange loss on financial assets	-	574,287	574,287
	173,557,974	32,271,854	205,829,827
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	5,007,964	(5,007,964)	-
Balance at 30 June 2023	178,565,937	27,263,890	205,829,827
Deficit from operating activities	(5,775,170)	-	(5,775,170)
Total other comprehensive income for the year:			
Change in fair value of financial assets (managed fund investments)	-	20,023,144	20,023,144
Change in fair value of property assets	-	411,211	411,211
Unrealised foreign currency exchange gain on financial assets	-	(2,242,212)	(2,242,212)
Realised foreign currency exchange loss on financial assets	-	2,024,787	2,024,787
	172,790,768	47,480,820	220,271,588
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	4,528,718	(4,528,718)	-
Balance at 30 June 2024	177,319,485	42,952,103	220,271,588

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Donations received		14,447	366,717
Payment to suppliers and employees		(2,721,624)	(2,523,318)
Giving payments		(5,985,138)	(4,261,665)
Dividends and distributions received		1,414,037	3,025,874
Interest received		628,248	593,038
Foreign currency exchange loss / gain	22	(2,674,094)	(9,565,815)
Income tax paid		(17,878)	(20,504)
Other income		7,444	136,221
Net cash outflow from operating activities		(9,334,557)	(12,249,452)
Cash flows from investing activities			
Payments for investment properties, property, plant and equipment		(14,815)	-
Proceeds from sale of investments		41,384,037	31,149,048
Payments for investments		(44,954,722)	(11,022,870)
Social impact loan repaid		100,000	100,000
Net cash (outflow) inflow from investing activities		(3,485,500)	20,226,177
Cash flows from financing activities			
Deferred land payments		(100,000)	(100,000)
Net cash outflow from financing activities		(100,000)	(100,000)
Net (decrease) increase in cash held		(12,920,058)	7,876,725
Cash at the beginning of the financial year		23,373,048	15,496,323
Cash at the end of the financial year	5	10,452,990	23,373,048

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

The Board of Benevolence and of Aged Masons, Widows and Orphans' Fund (the group) 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 group is a not-for-profit group.

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 group's functional and presentation currency. Unless otherwise stated, the material 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 group has been prepared on a going concern basis. There are no significant doubts about the ability of the group 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 2024 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 group'.

Subsidiaries and beneficial trusts are all those entities over which the parent entity has control. The parent entity controls an entity when the parent 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 group. 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 group 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 group.

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 parent 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 group 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 9th October 2024 by the Board.

Summary of Significant Accounting Policies

(a) Income tax

As the group is a charitable group, 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 2024**

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (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 group 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 group 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 group 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 group 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 group 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 group 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 2024**

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (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 group 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:

Class of Fixed Asset	Depreciation Rate
Buildings and improvements	2.50%
Plant and equipment	4.0% - 33.33% straight line

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 group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transaction 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 is presented as foreign currency exchange gain/loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (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 group'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.

Trade and other receivables

The group 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 group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Classification and measurement of financial liabilities

The group'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 group 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 group 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 asset's ability to generate net cash flows and when the group 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 group 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Foreign currency translation

Foreign currency transactions

i) Functional and presentation currency

Foreign currency transactions are translated into Australian dollars using the Reserve Bank of Australia exchange rates prevailing at the dates of the transactions.

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 group 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 group'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.

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 group's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the group 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(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 the group 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 group. The significant estimates and judgements for the current financial year relate to the revaluation of buildings and improvements.

(o) New or amended Accounting Standards and Interpretations adopted

The group 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 2024

NOTE 2: REVENUE	Note	2024 \$	2023 \$
(a) Revenue from operating activities			
Interest income		628,248	593,043
Distribution and dividend income		3,637,031	5,671,731
Bequests and donations		14,447	366,717
Other income		7,444	136,221
Total revenue from operating activities		4,287,170	6,767,712
(b) Change in fair value of financial assets - other comprehensive income		19,805,720	10,450,009
(c) Change in fair value of building - other comprehensive income		411,211	-
Total revenue		24,504,101	17,217,721
NOTE 3: EXPENSES			
Surplus (deficit) from operating activities includes:			
(a) Remuneration of the auditor			
- Audit services		39,148	39,875
		39,148	39,875
(b) Employee benefits expense			
Expenses recognised for employee benefits:			
- Wages and salaries		1,693,971	1,295,854
- Workers compensation insurance		9,852	8,650
- Superannuation contribution		208,698	179,517
- Employee benefit provisions		(31,288)	121,407
Employee benefits expense		1,881,233	1,605,428
(c) Foreign currency exchange loss			
Realised foreign currency exchange loss		(2,674,094)	(9,565,815)
Unrealised foreign currency exchange gain		2,077,869	4,513,570
	22	(596,225)	(5,052,245)
(d) Giving payments			
		5,489,524	5,414,260

All donations and payments made during the year in support of our charitable purposes total \$3,032,524 (2023: \$1,772,096). In addition all liabilities for commitments made for future donations and payments have also been recognised and total \$2,457,000 (2023: \$3,642,164).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$	2023 \$
NOTE 4: INCOME TAX EXPENSE		
Reconciliation of tax expense		
Deficit before tax	(5,720,274)	(7,021,724)
Tax expense at the rate of 30%	(1,716,082)	(2,106,517)
Add back tax effect of non-taxable entities	1,761,987	2,142,096
Tax effect of expenses which are deductible for income tax purposes	11,928	10,668
(Over) /under provision of prior year income tax	(2,937)	15,274
Aggregate income tax expense	54,896	61,521
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at bank	10,452,990	23,373,048
Total cash and cash equivalents	10,452,990	23,373,048
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Foreign Exchange Hedge Receivables	1,076,234	-
Other receivables	706,494	1,264,852
	1,782,728	1,264,852
Foreign currency hedge, distributions and franking credits comprise the majority of current receivables, to be received after 30 June 2024.		
NOTE 7: OTHER ASSETS		
Social impact loans receivable	-	100,000
Social Impact Investment	100,000	100,000
	100,000	200,000
Analysis of other assets		
Current	-	100,000
Non-current	100,000	100,000
	100,000	200,000

All social impact loans have been repaid in full. 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 2024

NOTE 8: FINANCIAL ASSETS

NON-CURRENT

(a) Financial assets at fair value through other comprehensive income

Managed funds, which include listed and unlisted type entities.

	2024	2023
	\$	\$
	209,286,755	184,123,569
	<u>209,286,755</u>	<u>184,123,569</u>

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Buildings & improvements - at valuation

less: Accumulated depreciation

	2024	2023
	\$	\$
	3,800,000	4,241,406
	-	(746,582)
	<u>3,800,000</u>	<u>3,494,824</u>

Plant & equipment - at cost

less: Accumulated depreciation

	716,262	725,004
	(468,927)	(432,322)
	<u>247,335</u>	<u>292,682</u>
	<u>4,047,335</u>	<u>3,787,506</u>

An independent valuation was carried out on the building and improvements assets in June 2024 and asset class was revalued in accordance with the independent valuation. 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.

	Buildings & improvements \$	Plant & equipment \$	Total \$
Carrying amount at 1 July 2023	3,494,824	292,682	3,787,506
Property revaluation	411,211	-	411,211
Additions	-	14,815	14,815
Depreciation or amortisation expense	(106,035)	(60,161)	(166,196)
	<u>3,800,000</u>	<u>247,335</u>	<u>4,047,335</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 10: TRADE AND OTHER PAYABLES	2024	2023
	\$	\$
Trade creditors	52,143	31,911
Giving commitments	4,967,307	5,462,920
Employee benefits	68,461	78,829
Sundry creditors and accruals	143,627	1,070,289
Land purchase instalment	100,000	200,000
	5,331,538	6,843,949

Analysis of trade and other payables

Current - Giving commitments	3,909,307	4,912,920
Current - Land purchase instalment	100,000	100,000
Current - Trade and other payables	264,231	179,395
Current - NAB foreign currency overlay	-	1,001,634
	4,273,538	6,193,949
Non-current - Giving commitments	1,058,000	550,000
Non-current - Land purchase instalment	-	100,000
	1,058,000	650,000
	5,331,538	6,843,949

NOTE 11: PROVISIONS

Long term employee benefits

	2024	2023
	\$	\$
Opening balance at 1 July	66,948	45,415
Additional provisions raised during year	18,501	21,533
Amounts used	(39,421)	-
Balance at 30 June	46,028	66,948

Analysis of total provisions

Current	20,655	8,251
Non-current	46,028	66,947
	66,683	75,198

Current provision includes income tax payable, as at 30 June 2024 \$20,655 (2023: \$8,251).

NOTE 12: RESERVES

Financial asset reserve	42,540,892	27,263,890
Property asset reserve	411,211	-
	42,952,103	27,263,890

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 2024 (2023: \$0)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 14: CAPITAL EXPENDITURE COMMITMENTS

The entity had future commitments for capital expenditure as at 30 June 2024. The following table summarises the likely timing of future capital commitments for financial investment assets.

The total of future capital commitments is approximately \$29,814,930 (2023: \$35,338,821). This amount will likely be paid out over the next 5 years in accordance with the below estimated schedule.

	2024	2023
	\$	\$
Years 1-2	16,892,574	18,525,271
Years 3-5	12,922,356	16,813,551
	<u>29,814,930</u>	<u>35,338,821</u>

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.

Consolidated 2024	Level 1	Level 2	Total
	\$	\$	\$
Assets			
Financial assets at fair value through other comprehensive income	77,779,561	131,507,195	209,286,755
	<u>77,779,561</u>	<u>131,507,195</u>	<u>209,286,755</u>

Consolidated 2023	Level 1	Level 2	Total
	\$	\$	\$
Assets			
Financial assets at fair value through other comprehensive income	71,440,722	112,682,847	184,123,569
	<u>71,440,722</u>	<u>112,682,847</u>	<u>184,123,569</u>

There were no transfers between levels during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 16: SUBSEQUENT EVENTS

Due to further shifts in the value of the Australian dollar, since 30 June 2024, the settlement amount of the Board of Benevolence foreign exchange contract resulted in a receipt of \$98,134 on settlement. The contract settlement occurred on 23 September 2024.

NOTE 17: 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:

Name	Principal place of business / country of incorporation	2024	2023
		Ownership interest	
BOB Holdings Pty Ltd	Australia	100%	100%
		Controlled interest	
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 2024, 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.

NOTE 18: 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.

	Consolidated	
	2024	2023
	\$	\$
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.	1,185,452	1,017,080

During the financial year ended 30 June 2024, the total compensation paid to key management personnel increased due to annual salary indexation, CEO remuneration review and the addition of a General Manager Social Impact and Engagement during the period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 19: RELATED PARTY TRANSACTIONS

Subsidiary

Interest in subsidiary and controlled entities is set out in note 17.

Key management personnel

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

Transactions with related parties

During the financial year ended 30 June 2024, the following transactions with related parties occurred: The Board of Benevolence made a donation of \$1,000,000 to The Hand Heart Pocket Community Fund. The Board of Benevolence received a dividend payment of \$148,000 from BOB Holdings Pty Ltd. These transactions were eliminated on consolidation.

NOTE 20: 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.

	2024	2023
	\$	\$
Land at cost	1,700,000	1,700,000
Building at cost	1,437,581	1,437,581
less: accumulated depreciation	<u>(553,802)</u>	<u>(500,872)</u>
	2,583,778	2,636,709
Term deposit / investments - market value	979,965	913,005
Cash at bank	37,830	47,845
Other receivables	<u>16,682</u>	<u>19,084</u>
	<u>3,618,255</u>	<u>3,616,642</u>

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).

NOTE 21: GROUP INFORMATION

The principal place of business is:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 22: DERIVATIVE FINANCIAL INSTRUMENTS AND ACCOUNTING FOR HEDGES

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

	2024	2023
	\$	\$
USD Forward Contract (Purchased 11 June, Expires 23 Sept 24)	77,861,795	90,958,723
EUR Forward Contract (Purchased 11 June, Expires 23 Sept 24)	16,670,268	13,977,117
	<u>94,532,063</u>	<u>104,935,840</u>

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):

	2024	2023
Sept 23 Qtr (Realised)	(5,058,191)	(7,240,268)
Dec 23 Qtr (Realised)	2,623,102	(1,154,328)
Mar 24 Qtr (Realised)	233,709	(2,071,316)
June 24 Qtr (Realised)	<u>(472,714)</u>	<u>900,097</u>
	<u>(2,674,094)</u>	<u>(9,565,815)</u>
Accrual Adjustments:		
Sept 23 Qtr (Unrealised 30 June 23)	1,001,634	5,515,204
Sept 24 Qtr (Unrealised 30 June 24)	<u>1,076,235</u>	<u>(1,001,634)</u>
	<u>(596,225)</u>	<u>(5,052,245)</u>

The unrealised foreign exchange gain of \$1.1m as accrued at 30 June 2024 (2023: loss of \$1.0m) resulted in a realised gain of \$98,134. Refer to Note 6 (2023: Note 10) and Note 16.

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 group for the financial year ended 30 June 2024 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 2022; and
 - b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date.
3. In our opinion, there are reasonable grounds to believe that the group 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 9th day of October, 2024

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 2022; and
 - b. give a true and fair view of the financial position as at 30 June 2024 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 group 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 9th day of October, 2024

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 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 2024, the consolidated statement of comprehensive income, 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, including material accounting policy information, and the responsible persons' declaration.

In our opinion, the financial report of the Group has been prepared 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 2024 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards - AASB 1060: General Purpose Financial Statements - Simplified Disclosures For-Profit and Not-for-Profit Tier 2 Entities and 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 *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have 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.

OTHER INFORMATION

The board members are responsible for the other information.

The other information obtained at the date of this auditor's report is included in Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

