

Partnering for change



**Board of Benevolence
2020-21 Annual Review**



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Cover photo: The Micah Projects Wellspring Hub in Hawthorne is supporting young families with Hand Heart Pocket's social impact investment.



Save the Children's Life Skills for Success program participant

76th Annual Review

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

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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, present and emerging.

2020-21 Highlights

Hand Heart Pocket is a philanthropic foundation established by the Freemasons of Queensland with a history of helping the community for more than 110 years. We partner with other charities and philanthropists to create positive change for people in need in Queensland and Papua New Guinea, particularly young people. At a local level, we work with Freemason Lodges to support people in need and their local communities.

Member engagement



4,346
members



56
local community
organisations
supported

Partnerships



13
strategic
community
partnerships



\$2.51m
giving distributed

Financial performance



\$5.77m
total giving



\$206.71m
net assets

Message from our Chairman



“ If we are to honour the legacy of our forebears, then we must tackle the social issues of today and be strategic in our giving.

A year of renewal and future planning

When I look back over the past 12 months, I am proud of the hard work we have put in to renew the Board of Benevolence and position our philanthropic foundation to make a greater impact for our community.

I owe to it our Directors, Executives and industry-renowned financial and philanthropic consultants for helping us finalise our historical governance issues, renew our Board and Team, refine our investment portfolio and refresh our strategy.

Transparency and accountability

In all our financial management, philanthropic processes and Member engagement, the Directors of the Board along with the new CEO, are committed to best-practice governance, transparency and accountability.

This was evidenced earlier in the year, when the Board took decisive action to seek and obtain restitution from some previous Directors, following an investigation by the Australian Charities and Not-for-profits Commission (ACNC). This found that previous Directors of the Board had not been sufficiently accountable to Members around the remuneration of some Directors from February 2016 to July 2017.

Acting in accordance with a Member ballot as well as having considered Senior Counsel advice, the Board exercised its fiduciary duty to recoup funds in the form of a donation, which in our view was in the best interest of the charity. The Board has finalised this matter and can now focus on the work ahead.

Strong growth and returns

I am pleased to report that our financial position remains strong, with net assets of \$206.71 million as at 30 June 2021. Our investments grew in value by \$26.67 million since last financial year, to more than recover from the impacts of the market movements at the beginning of the COVID-19 pandemic. We continue to protect the value of our investments to enable us to give in perpetuity.

We also engaged a new auditor this year whose thorough review and best-practice advice is reflected in our annual accounts, a summary of which we have now included to

provide greater transparency. A more detailed copy of our audited financial results is also available on our website.

Clear purpose and a big goal for the future

The Board recently adopted its new purpose-led strategy, which captures our renewed purpose, *to partner for change for people in need*, and provides a clear roadmap for the organisation over the next four years.

Research tells us that the greatest need today is to lift up young people in our community facing vulnerability. We know that by giving them the support they need to change their trajectory in life, there will be a ripple effect out to their families and our community.

With this new strategy in place and a new outcome measurement framework to be implemented next year, we have set ourselves a stretch goal that by the year 2030, through our collective efforts, 10,000 of Queensland's young people who are most at-risk will have outcomes they need to thrive in adult life.

With our new CEO Sara Parrott at the helm, I am confident our strategy will enable our Members, our community partners and our organisation to achieve great things together for our community.

The Board has also welcomed two new Directors, Toowoomba Freemason Craig Reimers and social impact investing expert Lisa Siganto, whose diverse skillsets will strengthen our Board. I look forward to working with them.

We also acknowledge two retiring Board Members, Freemason Greg Short and philanthropy expert Sandy Blackburn, for their service over many years.

With the experienced Board and Team, strong investment portfolio and strategic purpose we now have in place, I am looking forward to achieving even more in the year to come.

Alasdair Begley
Chairman

Message from our CEO

Having joined halfway through this year, I wish to thank the Board and the rest of the Team for their support to help me hit the ground running.

Together with the Board we have clarified our purpose, *to partner for change for people in need*, and set ourselves the challenge to see positive change in the lives of 10,000 at-risk young people by the year 2030.

To achieve that challenging goal, we will support our Members as they engage in their communities to create change for people in need. We will invest in the future of young people who are vulnerable and the organisations that support them. To power this work, we will protect and leverage the legacy built by past generations of Members.

Members' engagement with their communities

As the pandemic persisted during the year, we continued to help Freemason Lodges support the causes they care about and provided a helping hand to community organisations who had to dig deep during these unprecedented times.

We distributed \$217,000 to 56 community organisations across Queensland through 21 Lodges who were active in their local community during the 2020-21 year.

In the coming year, we will support Freemason Lodges to form new local community partnerships to increase support for the causes they care about through volunteering, fundraising and giving, with the backing of Hand Heart Pocket.

We will work with our Members to help identify important social issues and effective local community organisations we can partner with, to bring our purpose to life in local communities.

Positive change for young people in need

Our work with young people was more important than ever before, as the impacts of the COVID-19 pandemic continued to be felt across Queensland. A rise in mental health concerns and long-term unemployment, coupled with isolation and separation from family and friends, meant our partnerships were a critical part of the community support system for young people.

The majority of the \$2.51 million we gave this year contributed to partnerships with charities that empower Queensland's young people to thrive. We also set aside a further \$3.26 million to cover commitments already made to ongoing multi-year partnerships. In total, all of our philanthropic giving, in-kind support and concessional lending totalled \$5.77 million.

Working in partnership

Being a philanthropic foundation, we don't directly deliver programs. But by adopting a partnership approach with other funders and community organisations, we can influence significant change.

In the coming year, we will continue to provide funding to organisations on the frontline that reach the young people who are most in need. But we also recognise that strategic philanthropy involves supporting these organisations to build their capability, measure their outcomes, break down silos and collaborate together to systematically create change for people in need in the long term.

Therefore, our future direction has a firm focus on influencing systems change, making sure our philanthropy contributes to broader change in policies, practices, resource flows and people's way of thinking.

Leveraging our investments for impact

Protecting the assets built up over generations is critical as it powers our work. We will continue to work with our investment managers Cambridge Associates to ensure these funds grow in perpetuity while meeting stringent environmental, social and governance standards. We will also look to leverage our capital to create even more social impact by providing concessional lending to community service organisations and social impact investing to social enterprises.

As we emerge from this pandemic, I look forward to working with our Members, community organisations, social impact leaders and the philanthropic sector to work together to create more positive change.

Sara Parrott

Chief Executive Officer



By adopting a partnership approach with other funders and community organisations, we can influence significant social change.

About us

Our history

For over a century, the Freemasons of Queensland have worked with local communities to help change the lives of those facing hardship. The Board of Benevolence grew out of that sense of compassion and duty and since 1913 has worked through its Members to build assets that are now invested to benefit the community.



Read about our history in detail on our website at www.handheartpocket.org.au/our-story

1908

Widows, Orphans and Aged Masons' Institution founded by Grand Lodge of Queensland.

1912

Freemasons Homes of Queensland founded.

1913

Board of Benevolence formed.

Our purpose –

to partner for change for people in need

– is at the heart
of everything we do.

1946

All Freemason benevolence activities in Queensland amalgamated into *The Board of Benevolence and of Aged Masons, Widows and Orphans' Fund*.

1978

Board of Benevolence is incorporated and becomes a public charity after being issued a Letters Patent.



2016

Board of Benevolence sells the Masonic Care Queensland aged care and retirement living business and assets to return to its core mission, becoming a philanthropic foundation under the trading name *Hand Heart Pocket*.

Our goal is by 2030 to
ensure
10,000

of Queensland's **at-risk young people** have the **outcomes they need** to thrive in adult life.

We know that by influencing positive change for young people, our efforts will have a broader positive impact for their families, community, and future generations.

To make our goal a reality, we will focus on collaborating with strategic partners who deliver real change for young people, while at the same time engaging with our Members through their local community partnerships, giving, and volunteering. This work will be built on the foundations of strong governance, and the ongoing protection and leveraging of our capital and assets.



Young people in Queensland are facing more challenges across more aspects of their lives than ever before, and we have an opportunity to partner with community organisations to make a difference for them.

11,000+

young people in Queensland are subject to child protection orders or living away from home¹

13,840

children are subject to ongoing intervention by child protection authorities¹

4,500

young people in Queensland are without safe and secure housing²

12.9%

youth unemployment rate in Queensland³

26.6%

of young people in Australia have experienced psychological distress⁴

¹ Source: <https://www.cyjma.qld.gov.au/about-us/performance-evaluations/our-performance/summary-statistics>

² Source: <https://brisyouth.org/homelessness-young-people-facts/>

³ As at July 2021. Source: <https://www.qgso.qld.gov.au/issues/3431/regional-youth-unemployment-202107.pdf>

⁴ Source: <https://www.missionaustralia.com.au/news-blog/media-and-updates/1-in-4-young-people-facing-psychological-distress-during-pandemic>



Find a stable home



Build a support network



Contribute to the community



Seek help when needed



Gain an education and skills for the future



Find stable paid or volunteer work

Engaging with Members and their communities

Our Member-led approach

Our Members are our heart and our hands. Their deep connections with their local communities make significant, positive impacts across Queensland.

This year 21 Lodges supported 56 community organisations by fundraising and nominating local charities for grants, resulting in \$217,000 of giving to local communities. These Lodge-led initiatives supported the causes Freemasons care about, including extending COVID-19 emergency grants to organisations whose service delivery was affected by the pandemic. This generous level of support and activity was despite the impact the pandemic had on our Members' ability to be active in their community.

Moving forward, Hand Heart Pocket will help Members to broaden their reach and participation in the community. Lodges will be supported to form local community partnerships, to fundraise, give and volunteer for organisations working with people in need in their communities. All of our Members' efforts will be matched by Hand Heart Pocket, enabling them to increase their local impact and see our purpose – *to partner for change for people in need* – come to life in communities across Queensland.



Representatives of Barrine and Millaa Freemasons Lodges supported Better Together Community Support on the Atherton Tablelands to purchase mobile phones and phone cards for local people in need.

Our local relationships

Our Members care about a wide variety of issues, and in 2021 their support for not-for-profit organisations was a reflection of their compassion for their communities. From the 56 local organisations we supported, here are just a few examples of the projects funded and the outcomes achieved.

Guide Dogs.

\$28,000 for the breeding and care of the next generation of Guide Dogs in Queensland as well as vet expenses.



\$6,000 for driveway repairs to improve access to the facility.



\$1,000 for winter clothing and blankets for vulnerable families.



\$1,000 towards kitchen upgrades where meals are prepared for palliative care residents.



\$3,600 for two oxygen concentrators for the Community Health Unit.



\$2,400 for essential school supplies for disadvantaged youth in North Queensland.

Our community outcomes

- 6** Queenslanders with vision loss will be matched with a Guide Dog to lead more independent lives, through support given to the Guide Dogs care and screening program.
- 134** disabled young people and 129 volunteers from Sunshine Coast Riding for the Disabled had improved facilities.
- 25** Act for Kids' families in the Fraser Coast were kept warm this winter.
- 108** palliative care patients received more nutritious food thanks to upgraded kitchen facilities at Toowoomba Hospice.
- 120** disadvantaged primary school students in North Queensland started the year empowered to learn.



56 local
community organisations
supported



21 Lodges
engaged in
community giving



\$217,000
giving distributed



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

Freemason Ted Gibbons devotes his days to giving back to his local community.



Ted Gibbons of
Murilla Freemasons
Lodge in Miles.

Ted has lived in the Western Downs community of Miles for over 40 years and has been a Member of Murilla Lodge for almost the same time. He has devoted much of his time in service of others. He stepped up his volunteering after retirement, and hasn't looked back.

Ted volunteers at the Miles Historical Centre, the Murilla Community Centre second-hand bookshop, and the local Anglican Church where he is a Liturgical Assistant. He also helps local students with music and drama lessons, visits the sick and elderly, and fundraises for community initiatives with his Lodge.

In January 2021 Ted received an Australia Day Local Volunteer of the Year award in recognition of his 'lasting and significant impact on the community' through his volunteer work.

Ted says giving and volunteering work hand in hand, and he encourages others not to wait until retirement to volunteer.

"Time and energy are just as valuable as donations," Ted says.

"I'm excited for Lodges in our region to work together with Hand Heart Pocket to form a local community partnership with a worthy organisation in our area, to really help them further their work.

"This is our opportunity to work together as a Lodge and give everything we've got, whether that's fundraising, donating or volunteering to make a difference for others."



Be the change your community needs

Whether its volunteering, fundraising or donating, your Lodge can make a positive impact in your local community. Your time, energy, passion and skills can make a valuable difference to organisations and individuals in your community. Why not work with your fellow Lodge members to choose the causes you care most about, and contact Hand Heart Pocket about how we can back you in your efforts.

Partnering for change for young people in need

Our partnership approach

In 2019 Hand Heart Pocket undertook extensive research to identify the most pressing social issue of our time, with the aim to help us focus our efforts on those segments of the Queensland community where we can make the biggest difference. The research identified that our short- and long-term impact will be most significant if we focus on supporting young people facing hardship and vulnerability.

Over the last 12 months, Hand Heart Pocket distributed \$2.24 million towards 13 strategic partnerships, most of which supported evidence-based programs and initiatives that empower young people in Queensland to thrive.

Moving forward, we will work with our community partners to understand what evidence-based programs work best for

young people, where our funds can make the most significant change, and how the outcomes will be measured. As we proactively build multi-year partnerships, we will work together toward our 2030 goal of ensuring 10,000 of Queensland's most at-risk young people have the outcomes they need to thrive in adult life.

Our youth-focused strategic relationships



\$730,577 over three years to help fund a program that delivers weekend workshops, weekly local support groups and peer mentoring, coupled with case management support provided by Youth Support Workers.



\$900,000 over two years to help break the cycle of intergenerational disadvantage and build the capacity of vulnerable young parents through a tailored program focussed on stable housing, safe relationships and employment.



\$915,000 over three years to fund the Safe and Connected Futures Program, which provides early intervention and case management support to young people and their families to reduce conflict and strengthen support networks to prevent homelessness.



\$790,000 over two years to fund the Turning Corners program, which provides early intervention and support to help change the trajectory for young people who have engaged in harmful sexual behaviour.



\$320,000 over two years for the Pathfinder Program, which runs trauma-informed camps with case management support to assist young people to future-plan and identify a path for successful transitions through adolescence and young adulthood.



\$220,000 over two years to fund transitional accommodation and case management support through the Youth Matters program for homeless young people in Toowoomba and the Darling Downs.



\$500,000 over three years to fund the Life Skills for Success program, to support at-risk young people in the National Capital District and Marobe Province of Papua New Guinea to gain skills to secure further education and employment.

Sam* overcame homelessness to study law.

*Identity changed for privacy reasons.

When Sam was 18, he made the tough decision to leave the violence of his family home, with nowhere to go, no job, and no support. That's when he came across Brisbane Youth Service (BYS), who helped Sam access safe and stable housing, food, and financial assistance.

Once a young man who had experienced trauma, unemployment and homelessness, Sam is now about to embark on a law degree, hoping to eventually practice Human Rights Law. BYS has since invited him to share his experience and help co-design the organisation's *Safe and Connected Futures Program*, an initiative funded by Hand Heart Pocket.

Sam believes the new program will help address the shortage of support networks for young people who are facing challenging times.

"Just because young people are experiencing difficult circumstances, it should not mean they have to become homeless," Sam says.

Sam says he is proud to contribute positively to the delivery of services to improve outcomes for homeless youth, and says the stigma and stereotyping of young people seeking help from BYS needed to change.

"Not every young person has mental health issues or uses alcohol or drugs," Sam says.

"Some young people end up needing help due to family breakdown and lack of support.

"I'm confident the Safe and Connected Futures Program will help and encourage young people to turn a corner, and support them and their family in becoming an adult in a safe and supported way."



Young people who find themselves homeless face enormous challenges.

Tayla and Ricky got a house and then created a home.

Young couple Tayla and Ricky are grateful for how far they've come with the backing of YFS, a family support service in Logan, south-east Queensland.

"When we walked through the front door of YFS we were pretty much both a mess. No house, just our bags and some clothing. We rocked up in tears," Ricky says.

Through the Thriving Families program, a YFS housing specialist and a family coach worked with the family over two years to support them to find suitable housing, then build the skills to sustain that tenancy, find new housing as their family grew, and work on long-term goals.

"Every goal we've had they've helped us in any way possible. If they couldn't, they've referred us on to the next person. They've never said no."

YFS Family Coach Jess says the service is so impactful because it takes a holistic approach to supporting young families looking for housing.

"If we just put people in houses and we don't support them past that then it's not sustainable," Jess says.

Ricky and Tayla say they'd be lost without the additional support from YFS.

"We're good, there's food in the house, the kids are happy, we're happy. If it wasn't for YFS we'd probably be somewhere on the street honestly," Tayla says.

Earlier this year Hand Heart Pocket partnered with YFS to fund this program with \$900,000 over two years.



Young parents Tayla and Ricky were supported through YFS.

Our young people's outcomes

- 72** regional young people received tailored counselling and peer-support through Youth Insearch.
- 21** calls for help were responded to and 3 young people and their families received support to prevent family breakdown in the two months since the BYS program launch.
- 56** young people who have, or are at risk of, engaging in harmful sexual behaviour received therapeutic counselling support to turn their lives around with the help of Bravehearts.
- 48** young people were supported to transition from adolescence to adult life with 12 weeks of counselling and an adventure camp run by Intercept.
- 15** homeless youth entered transitional accommodation and received support to reengage in education and employment through YellowBridge QLD.
- 138** young people, including 27 young people with disabilities, are being integrated into the first stage of the Save the Children program in PNG.
- 18** young people were engaged in hands-on learning, and with the support of mentors built skills, confidence and resilience through TRACTION's Bicycle Build program.



13 grants
to community partners



\$2.24 million
strategic giving

Chantelle went from being an addict to an advocate.

Chantelle has turned her life around with the support of Youth Insearch.



For Chantelle, drugs and alcohol were a part of everyday life in her family.

"If there wasn't a visit from the police then it wasn't a normal day," she says.

Chantelle has come a long way with the support of Youth Insearch over a number of years. Now a Youth Insearch volunteer, she knows first-hand how peer-to-peer support, case management, workshops and support groups can have a life-changing impact for a young person.

"I am extremely grateful for Youth Insearch - they saved my life more than once and they believed in me when no one else did," Chantelle says.

"I have overcome my addictions and have been drug free since November 2013 and stopped abusing alcohol in December 2014."

Chantelle has several qualifications to her name, has a stable job, is in a healthy relationship and has been the guardian of her younger siblings for some time.

She is also working towards her goal of becoming a police officer.

For young people in regional communities across Queensland, having someone to turn to for professional support when they need it hasn't always been an option.

Working in partnership with local high schools, councils and community groups, Youth Insearch will employ a dedicated social worker in the regional Queensland communities they serve. The presence of a permanent social worker has shown to enhance their peer-to-peer program.

Over the next three years, more than 600 young people in seven regional communities across Queensland will be able to receive tailored support from Youth Insearch when they need it, particularly in the Western Downs and Wide Bay regions.

The rollout of this model has been funded by Hand Heart Pocket with \$730,577 over three years, as well as funding from the Tim Fairfax Family Foundation and Tenix Foundation.



Read more about our youth partnerships on our website at www.handheartpocket.org.au/our-partners

Protecting and leveraging our assets

Our investment approach

As an independent charity founded by the Freemasons of Queensland over 110 years ago, the Board of Benevolence aims to generate sustainable financial returns to fund our philanthropy today, and protect the legacy built by previous generations so we can continue to support our communities for many more decades to come.

Board of Benevolence has \$188 million invested for the long term, overseen by the Board Investment Committee and supported by our investment advisors, Cambridge Associates, a respected global investment firm. Our investments meet strong environmental, social and governance standards, to achieve our financial objectives in a way that is consistent with our core values and social purpose.

Our Board-approved Investment Policy supports the robust governance of our investment activities. This Policy determines how key investment decisions are made and how our assets are used, with the aim of earning an average annual return after fees and inflation of 4.5 per cent on our investments.

In 2022 Hand Heart Pocket will explore impact investment opportunities, creating an investment portfolio that leverages our assets to generate greater social impact by providing capital for the work of community service organisations and social enterprises through concessional lending and venture philanthropy.

Our investment relationships

We hold over 28 investments with 21 different investment fund managers, as well as a small number of impact investments with social impact organisations. We are supported by our investment advisor and bank.



National Australia Bank provides us with transactional banking services and foreign exchange hedging, which are critical to our day-to-day operations and the management of financial risk. They are also working with us as we explore opportunities for impact investing in Australia.



As our trusted investment advisor since 2016, Cambridge Associates provides us with expert advice to maintain the value of our investment portfolio in the long term through strategic asset allocation and strong responsible investment standards. They work with our Board Investment Committee and Executive Team conducting due diligence on investment opportunities, advising on acquisitions and divestments, as well as monitoring and reporting on our investment performance.



One of our investment managers, Q-Energy Private Equity, is an example of a fund manager focused on environmental impacts, through the development and management of renewable energy assets across Europe. By investing with them we are generating financial returns, while also supporting the transformation of the energy industry and helping meet the world's climate change goal to reach net-zero carbon emissions by 2050.



Based in Brisbane, Micah Projects is a large not-for-profit that provides community services and runs social enterprises, and an example of our social impact investing. Last year we supported Micah Projects to purchase the Wellspring Hub property in Hawthorne in Brisbane's south, where they help young families in crisis to get back on their feet. We provided Micah Projects a \$400,000 grant and a \$400,000 interest-free loan which they will pay back, allowing us to lend again to create further social impact.



Our financial outcomes



\$206.71 million
net assets



\$26.67 million
increase in investment value



\$2.32 million
expenses in managing our investment and property assets*

*including \$466,000 foreign currency hedging costs.

Steff finds the support to support others.

When Steff fell pregnant with her daughter at the age of 19 she found herself in crisis and was referred to Micah Projects. Here she found “support without judgement”, as she describes it.

“None of the other young mums I knew from outside the program were getting anything like this kind of support from their antenatal care,” Steff says.

Being able to have all her check-ups through Micah Project’s Wellspring Hub in Hawthorne, as well as the supportive playgroup with other young mums in crisis and their babies, made things more manageable.

A few years later, a marriage breakdown, no income, an expiring lease, pregnancy complications, and post-natal depression made Steff’s second pregnancy more challenging.

But Micah Projects was there to help, finding Steff community housing and helping her apply for permanent government housing.

Work was another dilemma. Even though she was a qualified childcare worker, work was irregular.

“The Micah Projects team helped us write our resumes, learn interview skills and even do a barista course to help us find work. Micah Projects then actually offered me a part-time job.”

Steph now works at the Wellspring Hub in Hawthorne three days a week as part of the early childhood program, providing care for families in need.

“It’s the most satisfying and rewarding job I’ve ever had. And if families are struggling in circumstances like I was,



Young Mums like Steff receive support without judgement thanks to Micah Projects.

it’s great to be able to tell them that I’ve been there, and it does get better. I’m the proof,” Steff says.

“Being able to work for the organisation that helped me when I needed it is pretty awesome.”

Hand Heart Pocket provided a \$400,000 grant and a \$400,000 interest free loan to Micah Projects to support the purchase of the Wellspring Hub property.

Working together to maintain trust

Our governance approach

The Board of Benevolence was first formed in 1913 and incorporated as a public charity in 1978 after being issued Letters Patent.

We are an independent charity registered with the Australian Charities and Not-for-profits Commission (ACNC) and our current constitution, previous audited financial statements and Annual Information Statements are publicly available on the ACNC website.

We are governed by a Board of Directors where the majority of Directors, including our Chairman, are Master Mason Members of the United Grand Lodge of Queensland, and the remaining independent Directors bring additional specialist skills that the Board requires. Our Member Directors are not paid but volunteer their time and skills, while our independent Directors are remunerated for their specialist expertise.

We believe integrity, transparency and good governance are at the heart of building and maintaining trust with our Members, partners and the communities we serve. We strive to build a high level of credibility to allow us to continue to develop strategic partnerships that will have long-lasting, positive impacts on our communities and young people in Queensland.

In 2021 the Board has continued to improve our governance processes, and put in place mechanisms to ensure we remain accountable and sustainable, including:

- appointed a new Member Director with specialist skills in risk management
- appointed a new independent Director with specialist skills in social impact
- rotated Board Committee membership to accommodate our new Directors' skills

- reviewed all the Board Committees' Terms of Reference
- each Director self-reviewed their performance in consultation with the Chairman
- conducted a Director Development program for Members and maintained relationships with potential Member Directors
- finalised the recommendations of the ACNC associated with their Warning, sought and obtained restitution from previous Directors and communicated this to over 4,300 Members
- responded individually to 40 Members who replied to these communications, including meeting with one Lodge at their request
- appointed a new independent Chief Executive Officer (CEO)
- set a new strategy focused on increasing social impact while protecting our investment portfolio
- completed a risk review associated with our new strategy
- set KPIs for the CEO linked to the new strategy
- published this Annual Review including additional transparency of financial and governance matters
- issued invitations to our Annual Review Event including additional access for Members to the Board through broadcast and in-person attendance
- reported to UGLQ Quarterly Communication Business Meetings, where Members are given the opportunity to submit questions in advance.

Meet our new Board Members



Lisa Siganto

MBA, BEng(Civil)Hons

Director (July 21 onwards)

Member of Nominations and Remuneration Committee
Member of Investment Committee

On joining Hand Heart Pocket our new Director Lisa Siganto was most excited by the opportunity to be part of an organisation that was engaging with the community at a local level across Queensland.

"There is a great executive team at the helm, and I believe they'll deliver a great future for the organisation," Lisa says.

"There is a detailed plan in place with clear direction, actions, and KPIs. What excites me is that Hand Heart Pocket has the scale to make great impact in Queensland, and I'm sure it will."

From the very beginning of her career, Lisa has been grounded in social justice, and through her corporate life has worked with businesses to solve social problems. In addition to being on the Board of Hand Heart Pocket, Lisa is also a Director for Indigenous organisation Cape York Partnership.

"Philanthropy plays such an important role in our society, and impact investing is a growing sector, both of which help people in need through partnerships for change.

"This is a privileged position and I'm delighted to take it on."



Hand Heart Pocket has the opportunity and responsibility to manage its assets well and focus on the best possible investments, outcomes and impact in Queensland.

Lisa Siganto



Craig Reimers

GCertSafLead, AdvDipHRM,
AdvDipOHS, DipQA,
DipSecurityRiskMgt
Director (May 21 onwards)

Member of Nominations and Remuneration Committee
Member of Audit and Risk Committee

From joining the Australian Army as a Radio Operator at 17 years old, our new Director Craig Reimers has forged a diverse career path that gives him a unique perspective on governance.

His background in health, safety and quality management across the resources and government sectors, combined with his first-hand experience of community work through his Lodge, brings a valuable combination of governance principles and Freemasons loyalty to the Board.

Craig says he is excited to be a part of Hand Heart Pocket's future, helping the organisation to put its new strategy into action.

"The level of experience and the commitment of the Board and team is very impressive," Craig says.

"I think it is important to acknowledge the past generosity and hard work of Queensland Freemasons that has enabled Hand Heart Pocket to exist as a significant charitable organisation now and into the future.

"The ability to make change not only through philanthropic activities but through a targeted investment strategy that aligns with our charitable objectives is very exciting."

Our governance relationships

The following people served as Directors of the Board of Benevolence during or since the end of the 2019-20 financial year.



Alasdair Begley

BSurv, Reg Surv (Cad),
EMBA, GAICD

Chairman

Chair of Nominations and
Remuneration Committee
Member of Investment Committee
Meetings attended 20/20



Kirby Leeke

FCA, BBus (Accounting), MAICD

Director

Member of Audit and Risk Committee
Member of Investment Committee
Meetings attended 16/16



Paul Holland

MCI MEdSt DipT FIML MACE

Director and Grand Master

Members of Nominations
and Remuneration Committee
Member of Audit and Risk Committee
Meetings attended 5/15



Jane Crombie

BHMS, MBA, GAICD, FGIA

Director

Chair of Audit and Risk Committee
Member of Investment Committee
Meetings attended 17/17



Dr. Jason Bingham

BAHum, MBA, DBA, PMP, GAICD

Director

Member of Nominations and
Remuneration Committee
Meetings attended 15/17



Paul Reeve

BA (Hons) Philosophy,
Politics and Economics

Director

Chair of Investment Committee
Meetings attended 11/14

Financial performance

During 2020-21 our giving totalled \$5.77 million, which represented \$2.51 million in giving distributed and \$3.26 million in commitments made to ongoing multi-year partnerships. In addition, \$400,000 was lent interest free as a social impact investment.

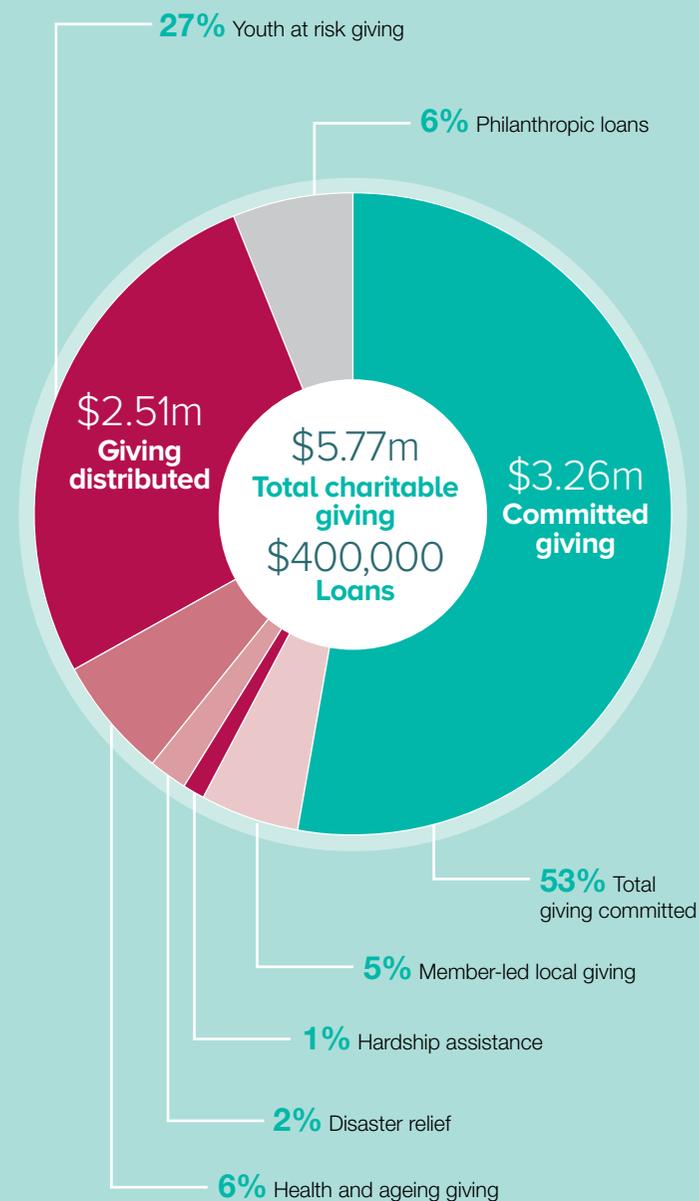
Approximately \$412,000 in expenses were incurred in ensuring our giving was strategically aligned to our charitable purpose and generated outcomes for the community. Other expenses included \$504,000 in member communication and engagement activity and \$618,000 to ensure governance and accountability.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Revenues from operating activities (Income from managed fund investments and donations)	5,840,159	5,883,544
Operating Expenses	(3,661,478)	(3,840,610)
Giving payments	(2,510,786)	(4,250,578)
Giving commitments	(3,255,405)	-
Surplus (deficit) from operating activities before depreciation and amortisation and income tax expense	(3,587,510)	(2,207,644)
Depreciation and amortisation	(195,447)	(267,946)
Surplus (deficit) for the year	(3,782,957)	(2,475,590)
Change in fair value of financial assets (growth of managed fund investments)	26,667,944	(4,195,355)
Total comprehensive income (deficit) for the year	22,884,988	(6,670,945)

Charitable giving

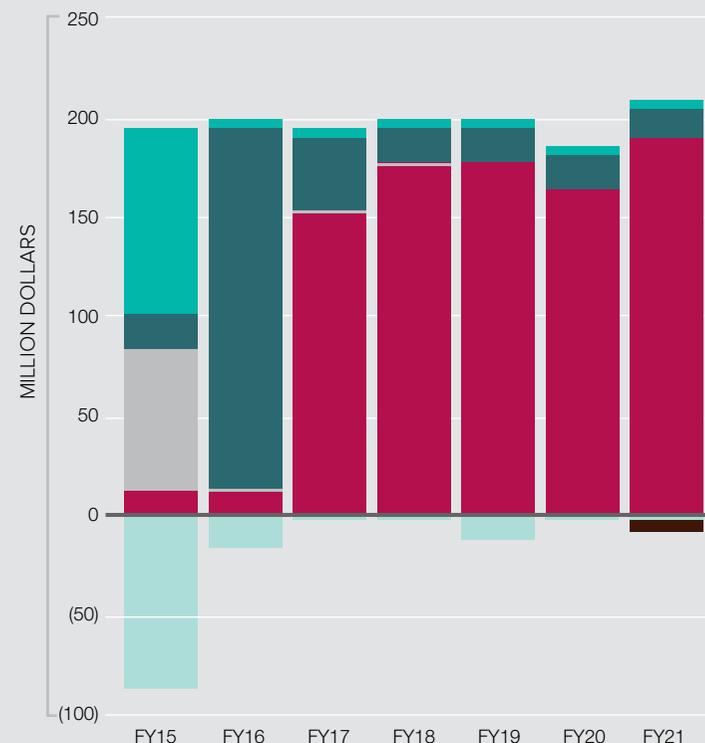


During 2020-21 our investments increased in value by \$26.67 million to recover completely from the impacts of market movements in response to COVID-19. Over \$2.32 million in expenses were incurred in managing our investment and property assets, including \$466,000 in costs associated with foreign currency hedging. Our total net assets at 30 June 2021 were valued at \$206.71 million.

See our full Audited Financial Statements at www.handheartpocket.org.au

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
AS AT 30 JUNE 2021		
	2021 \$	2020 \$
Current assets		
Cash and other current assets	18,774,432	21,345,472
Non-current assets		
Financial assets at fair value through other comprehensive income	188,645,365	158,999,234
Property, plant and equipment and other non-current assets	4,358,881	4,503,243
Total assets	211,778,678	184,847,949
Liabilities		
Giving commitments	3,255,405	-
Other Liabilities	1,814,006	1,023,669
Total liabilities	5,069,411	1,023,669
Net assets	206,709,268	183,824,280

Net assets



- Financial investment assets
- Cash and other current assets
- Investment properties
- Property, plant & equipment and other non-current assets
- Giving commitment liability
- Other liabilities



About our Annual Review designers

Green Fox Studio is a full-service creative design agency and a social enterprise with a difference. Of the six staff on their team, two are former inmates, who have been given a second chance. Both men developed their skills at the Green Fox Training Studio at Borallon Correctional Centre in Ironbark, west of Ipswich, all while doing time. Another 30 skilled inmates complete work for Green Fox Studio clients from inside.

Since launching their social enterprise two years ago, Green Fox Studio has trained 164 inmates who have gone on to find employment upon release. The recidivism (reoffending rate) of these inmates has been 2% compared to 47% within the normal prison population. This goes to show that helping someone to find their passion through training and support can change their lives for the better. greenfoxstudio.com.au



**Hand Heart Pocket is proud to partner
with Green Fox Studio to produce this publication.**