



Investing in our shared future

**Board of Benevolence
2023-24 Annual Review**



79th 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 all the
Lands on which we operate across Queensland,
especially the Yuggera and Turrbal people of Meanjin
(Brisbane) where we are based. We pay our respects to
Elders, past and present.

Cover photo: Through our strategic partnerships we
walk alongside young people, supporting them to
create a promising future.

Inside cover photo: We're making a difference
alongside young people today and building a better
future for tomorrow.



Contents

2023-24 Highlights 3

Message from our Chairman 4

Message from our CEO 5

Strategy 6

Member engagement 8

Youth partnerships 12

Systems partnerships 14

Investments 18

Governance 20

Financial performance 22

2023-24 Highlights

Our organisation

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

Our purpose is to partner for change for people in need.

We work with strategic partners across Queensland and Papua New Guinea to address inequality and adversity, particularly among children and young people.

We also support our Members to engage with their local communities through partnerships, giving and volunteering, as well as provide hardship assistance and disaster relief for Queenslanders in times of need.

This work is built on strong governance, and the ongoing protection and leverage of our capital and assets.



We support our Members to engage with their local communities through partnerships, giving and volunteering.

Member engagement



3,652
Members



1,883
hours volunteering
by Members



106
local community
organisations supported
by Members



\$366,353
Matched Giving by Hand
Heart Pocket

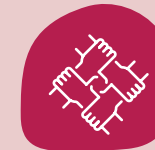
To find out more

about our history, visit our website at
handheartpocket.org.au/our-story

Giving



\$5.49m
total giving



1,104
young people supported



36
active youth-focused
partnerships

Investments



\$220.27m
net assets



11.31%
return on financial assets
and cash



\$14.44m
total income retained for
future years

Message from our Chairman

As I reflect on Hand Heart Pocket's year, it is clear that the work put in over previous seasons is starting to bear fruit. This year we engaged Members more strongly than ever before, supported over 1,100 young people, and significantly increased our investment earnings.

We have achieved these outcomes after three years of focus on our strategic priorities to: protect and leverage our capital and assets, support our Members to engage in their communities, and demonstrate integrity and good governance.

Capitalising on our investment talent to create wealth for the future

We seek to preserve the long-term value of our assets through our diversified and responsible investment portfolio, enabling us to create impact in perpetuity. We have a talented investment team in our Board and Executive, whose careful strategic oversight of our investment portfolio this year generated income and growth of \$23.47 million, a return of 11.31%.

From this, we gave \$5.49 million to the community and retained \$14.44 million to reinvest, growing our assets for the benefit of future generations.

Boosting Members' impact in their communities

With a string of natural disasters occurring over summer and the cost of living rising, the Freemason tradition of giving to those in need has never been more important.

When we are able to retain such a significant amount from our earnings, we make an important investment for our shared future.

During 2023-24 our Hardship Assistance partnership with UnitingCare Queensland helped 240 individuals, through access to crucial financial counselling and more than \$90,000 in financial assistance going to Queenslanders doing it tough.

On behalf of the Freemasons of Queensland, we also gave over \$175,000 through GIVIT, to communities affected by disasters in North Queensland, Logan, Scenic Rim and Gold Coast, and the Western Downs. Additionally, we gave \$125,000 to communities acting to prevent and reduce the impact of future disasters, through our partnership with the Foundation for Rural and Regional Renewal.

Over \$366,000 was distributed through our Matched Giving program, backing Members and their Lodges who collectively raised \$190,001 and volunteered 1,883 hours for charity.

We also supported six new local partnerships between Lodges and their chosen charities, in Redlands, Maryborough, Childers, Ingham, Brisbane and Townsville, and completed our original two local partnerships at Toowoomba and Miles.



Governing through a culture of empowerment and integrity

I would like to recognise the Hand Heart Pocket Board and Executive Team for the work they do to honour the legacy of those who came before us, while providing innovative and responsible leadership for our activities as a modern charity.

Our purpose is to partner for change for people in need because we recognise that we cannot create any lasting change alone. Our Members, partners, and communities are crucial to our purpose. We value your engagement, feedback and wisdom, and invite you to continue working with us to build closer ties and better outcomes for all our communities.

Alasdair Begley
Chairman

Message from our CEO

Partnering for change

As Queensland's largest independent philanthropic foundation, Hand Heart Pocket is uniquely placed to help drive positive change for people in need. We do this by partnering with others to test new approaches, amplify the voices of young people, and engage with communities and our Members. We give more than just our funds, investing our time, skills and strategic insights in collaboration and advocacy – and this year, the results are showing.

Investing in young people through innovative community-based partnerships

Our strategic goal is: by 2030 to support 10,000 young people to thrive, now and in adult life.

We know that not all young people can access the opportunities they need to thrive because of unfair distribution of resources and adverse life experiences. Our partners offer young people a crucial pathway to stable housing, education, health and wellbeing, and connection to their community.

In 2023-24, we committed an additional \$4.80 million to 15 new and existing partners focused on young people, including \$160,000 in untied funding to help young people access basic necessities.

We are tracking well against our goal, with our partners supporting 1,104 young people this year, and a total of 4,167 young people since 2021.

These young people have achieved significant outcomes against the odds, such as finishing high school, reuniting with family or finding a home.

Our giving helps thousands of young people change the trajectory of their lives. It is an investment in the future for all of us.

Taking collaborative action for long-term system change

We work strategically with partners to improve the systems that surround families and create a more equal society for future generations. This year we embraced two key system-level initiatives.

Hand Heart Pocket was an inaugural funder of Thriving Queensland Kids Partnership in 2022. For part of this year I was honoured to act as Interim Chair of the Partnership's Management Board, collaborating for change with leaders from government, academia, philanthropy and service organisations like our partner Yiliyapinya Indigenous Corporation. You can read on page 17 about Yiliyapinya's collaboration to build workforce capability in neuroscience and brain health through the Partnership's Brain Builders Initiative.



The power of collaboration was clear this year, as Hand Heart Pocket co-chaired the Qld FoyerInvest Working Group, in partnership with the Foyer Foundation and key Queensland housing and support providers. Alongside young people who live in Foyers, the Working Group's advocacy led to government funding for eight new Foyers, which will house almost 3,200 young people facing homelessness in the next decade (see page 15). This incredible collective achievement will help to change the lives of many thousands of future young people in Queensland, and creates important momentum for government investment in Foyers nationwide.

I extend our deepest thanks to our Members and partners who share our vision of a better future for our children and young people, and stronger communities for us all.

Sara Parrott
Chief Executive Officer

Join us to create change for future generations

Join us at the table to work alongside young people as they achieve the outcomes they need to thrive, now and in the future.

A sturdy table is a place to come, share food, work, learn and live with others.

It's where we build our strong and supportive partnerships, bringing the right resources and people together. It's where we create space for young people to connect with the important people in their lives, build positive relationships, and live with safety and stability – so they can be healthy, learn, work and grow.

And like an open green park provides shade and fresh air, we invest in nurturing the environment and community around young people, strengthening the structures, protections and sense of belonging that we all need.

Our transparent governance, responsible investment practices and Members' engagement in their local communities are the sturdy ground underneath us that help us to continue to give and grow for generations to come.

2021 Launching our strategy

New **partnership strategy** launched, focusing on youth outcomes and changing systems

Qld Kids Funders Alliance established with three other peer foundations

Responsible investment and philanthropy policy established

Hardship assistance and **disaster relief** partnerships established on behalf of Members, for all Queenslanders

Member engagement and Matched Giving approach re-launched

2022 to 2023 Collaborating together

Portfolio developed of strategically-aligned youth-focused partners

Queensland FoyerInvest Working Group convened

Capacity building grants launched, helping partners boost governance, strategy and outcomes

Investment dialogue between philanthropy and government guides strategic approach to funding

Thriving Queensland Kids Partnership core team funded

Impact investment strategy launched

Climate Solutions Grants established with seed funding to Foundation for Rural and Regional Renewal

Matched Giving expanded to volunteering and individual giving

Local Community Partnerships launched by Members

2024 Achieving outcomes

54 total partnerships supported

8 Youth Foyers committed to by the Queensland Government, to support almost **3,200** young people over **10** years

3 partners securing permanent premises after capacity building partnerships to develop property strategies

\$10m+ additional philanthropy attracted for our youth-focused partners

500+ organisations collaborating in Thriving Queensland Kids Partnership

92 young people employed long term through investment in White Box Payment-By-Outcomes trial

240 Queenslanders assisted through Hardship Assistance program

Substantial additional philanthropy attracted to grassroots climate projects

207 local charities sharing **\$1.36m** in Matched Giving

8 Local Community Partnerships led by Members, worth a combined **\$128,893**

Delivering against our strategy: 2021 to 2024 highlights

We're proud of our progress since we launched our new strategy in 2021.



Govern well

100% compliance

All external regulatory requirements achieved, year-on-year



Engage our Members

207 local community organisations supported on behalf of Members

Members' local priorities supported through Matched Giving, Local Community Partnerships, disaster preparedness and relief, and hardship assistance



Protect and leverage our assets

\$21.83m total giving over **4** years + **\$41.18m** net growth in financial assets

Members, communities and young people backed through our giving, while ensuring a strong financial position for the future



Support young people to thrive

4,167 young people supported by **33** partners, across **54** partnerships

Young people and their families supported to change their future and the future of Queensland



Change systems

\$3m+ invested across **8** initiatives to change systems for the better; engaging **500+** organisations and leaders

Collaborations established to create long-lasting change to benefit all Queensland families and communities

Support our Members and their communities

Making a lasting difference

For more than 115 years, the generosity and responsiveness of our Members has been making communities in Queensland and Papua New Guinea stronger. At Hand Heart Pocket, we back our Members' giving, fundraising and volunteering by following their lead on what's important to their local communities. Their long-held relationships and connections are a wealth of knowledge and wisdom, allowing them to identify what's needed in their local communities to truly make a difference.

Multiplying our Members' efforts

During 2023-24 our Members supported 106 organisations that matter to them, through a combination of 15 volunteering activities and 73 fundraising or giving activities. These efforts were matched by Hand Heart Pocket, with a total of \$366,353 distributed on their behalf, ensuring their contributions can have an even bigger impact.



Freemason Allan Connors serves up a treat and has his volunteering hours for the Prince Charles Hospital Foundation matched by Hand Heart Pocket.

2023-24 activities



106
local community
organisations supported



\$190,001
Lodge and
Member giving



1,883
hours of Lodge and
Member volunteering



73
giving efforts
matched



15
volunteering efforts
matched



\$366,353
matching for
Member-led
giving

Backing the causes that matter to Members

Our Members continue to show they care by devoting their dollars and time to the causes that mean the most to them, including:

\$7,500 to Bravery Box towards care packs for children and families newly diagnosed with cancer

\$9,000 for prostate cancer education through ManUP!

\$5,675 towards finding a cure for silicosis through medical research at the Prince Charles Hospital Foundation

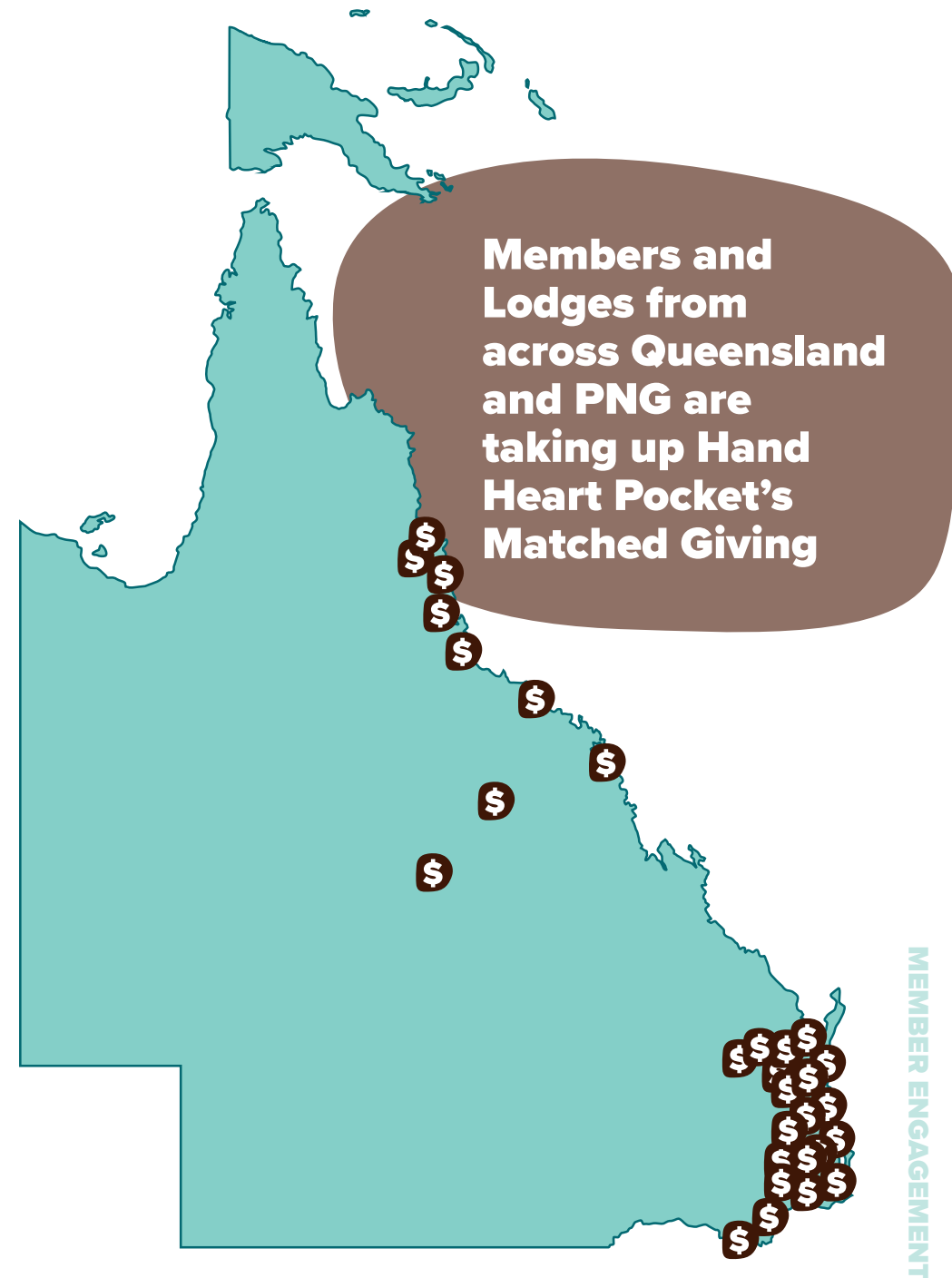
\$10,000 to the Queensland Braille Writing Association library for the purchase of a special typewriter producing pages in braille

\$4,000 towards setting up a Meals on Wheels branch in Charters Towers

\$10,000 towards a cuddle bed for palliative care patients at Akooramak Care of Older Persons, through the Belinda McGowan Foundation



Our Members give their time and energy to the causes that matter most to them.



Roger puts hundreds of hours into volunteering and doubles his impact



If you visit Redland Community Centre on a Wednesday, you'll find Roger Brady volunteering. Roger is pictured here with Redland Community Centre CEO, Allison Wicks.

If you visit Redland Community Centre on a Wednesday, you'll find Roger Brady from Myora Lodge volunteering. A Freemason of 50 years, Roger is on the board of the community centre and takes great pride in also being a hands-on volunteer.

Roger has had many interactions with people sleeping rough. He knows that there are many factors to a person becoming homeless – it is not a choice.

Navigating the ups and downs of homelessness isn't easy; through his volunteering, Roger hopes to make it easier for the people he serves to have safe and stable housing and food on the table.

Each Wednesday, Roger rolls up his sleeves and helps distribute emergency relief, chatting with people to find out what they need for the week.

"We all thrive when local community organisations offer the support based on our needs," Roger said.

Myora Lodge has a Local Community Partnership with Redland Community Centre, so Roger's volunteer hours throughout the year are matched with a donation from Hand Heart Pocket. The Lodge is also firing up the BBQ, raising vital dollars for Homeless United, which helps people find stable housing and re-engage with their community within the space of a year.

The Myora Lodge hopes to donate \$39,000 to the Centre during their two-year partnership. This includes an incredible 192 hours of volunteering from Roger.

Through our giving, fundraising and volunteering, Myora Lodge has set an example for how Freemasons can work in tandem with their community to create tangible change.

"Our assistance to the Redland Community Centre shows what can be achieved when compassion is coupled with commitment. In the tapestry of community support, every thread is integral to the strength and vibrancy of the whole," Roger said.

Queensland communities prepare for extreme weather through small grants

This year Hand Heart Pocket's disaster giving helped Queensland communities address environmental issues that increase the severity of bushfires, cyclones and storms, while also assisting people hardest hit by these disasters.

We supported GIVIT with \$175,000 to provide practical assistance to people recovering from the Western Downs bushfires, Tropical Cyclone Jasper, South-East Queensland storms, and Tropical Cyclone Kirrily.

Since January 2023, we have assisted 229 people affected by disasters, with Members donating an additional \$6,500 to Hand Heart Pocket's disaster appeals.

And through the Foundation for Rural and Regional Renewal (FRRR) we also help regional, rural and remote communities across Queensland implement solutions to prepare for and reduce the impact of future disasters.

Strengthening Rural Communities

FRRR's *Strengthening Rural Communities* grants empower locals to solve priority issues in their community. This year our giving helped locals with: building community capability through first aid, disaster management, and leadership training; buying a generator and battery; and encouraging tourism back to areas affected by disaster.

Driving climate solutions

In 2023-24, we provided seed funding for FRRR's new national *Community Led Climate Solutions* grants, backing rural and regional communities in Queensland to drive local climate solutions.

Additional seed funding was provided by Atlassian's climate-focused foundation Boundless Earth, with new funding from both the Paul Ramsay and QBE Foundations.

Seven Queensland projects shared \$120,000 of grants this year, driving a variety of local climate solutions to reduce emissions and improve sustainable agriculture and food systems through education, engagement, and action. For example:

- Bundaberg Fruit and Vegetable Growers Ltd received almost \$20,000 to develop 'water wise' gardens with local schools.
- Environmental Advocacy in Central Queensland received almost \$4,000 to build local interest in renewable energy sources through a documentary screening and expert panel discussion.

Members spread the word about FRRR grants to boost community recovery from natural disasters, and strengthen their social and economic futures.

Find out when the next grant rounds open by visiting frrr.org.au



Partnering to strengthen Queensland's communities

\$175,000 for disaster relief through **GIVIT**

GIVIT

\$125,000 in disaster preparedness and climate solutions for local communities through **FRRR**

FRRR
Foundation for Rural
Regional Renewal

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

UnitingCare

\$90,800 one-off hardship assistance received by individuals

Responding to the needs of today's children and young people

Young people are at the centre of our partnerships

At Hand Heart Pocket, we want all young people in Queensland and Papua New Guinea to feel connected to vibrant, safe and opportunity-rich communities, wherever they live. But we know that this is not the reality for many young people. Inequality and adversity continue to undermine young people's ability to thrive. These have negative impacts on health, wellbeing, and family relationships, and reduce access to basic life necessities such as education and healthcare.

As one of the largest philanthropic foundations in Queensland, we have a unique opportunity – and a responsibility – to ensure that both our funding and the efforts of our people make a real difference in tackling these pressing social issues. We are proud to be partnering for change with some of the most innovative and experienced youth-focused services, and we know that this investment in young people is a sound investment in our shared future.



\$4.38m
giving to youth-focused
programs and services



12 partners
delivering programs to
help young people thrive

Youth outcomes partnerships

In 2023-24 Hand Heart Pocket committed an additional \$4.38 million to 12 partners, enhancing young people's access to evidence-based programs across Queensland.

MAJOR NEW PARTNERSHIPS



\$725,000 partnership extension over two years helping young people at risk of homelessness to find stable housing and re-engage with family.



\$350,000 partnership extension for one year to support place-based, youth-led early intervention services.



\$943,500 over three years to help First Nations young people heal and improve cognitive and emotional skills; re-engage in education, training or employment; and avoid further interaction with the justice system.



Save the Children

\$600,000 partnership extension over two years to increase young people's access to education and employment in Papua New Guinea.



\$992,000 over two years to establish a Young Men's Parenting Program, to help young men and young fathers better understand their emotions, use positive behaviours to deal with challenges, and reduce family violence.

ONGOING PARTNERSHIPS*



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



\$1.05m ongoing three-year partnership, supporting young parents to build strengths, focusing on stable housing, safe relationships, and employment.



Breaking Social Isolation
Building Community

\$1.5m ongoing three-year partnership to assist young parents to build support networks and re-engage in employment and training in Brisbane and Caboolture.

*Not all partnerships shown.

Measuring the outcomes that young people achieve through our partnerships

We support our partners to measure the outcomes that their services and programs help young people to achieve, across all the fundamental aspects of life. Indicators of success include building skills to maintain a rental tenancy, participating in study or employment, forming respectful relationships, and seeking support when needed.

Our goal by 2030 is to support 10,000 young people to have the outcomes they need to thrive, now and in the future. This year we have supported 1,104 young people through our partners. In total, this means we have now supported 4,167 young people since our strategy launched in 2021.



Our goal by 2030 is to support 10,000 young people to have the outcomes they need to thrive, now and in the future. Photo supplied by Stars Foundation.



Collaborating to transform future systems and structures

Reshaping the delivery of child and family services

We are committed to reaching our goal of supporting 10,000 young people to thrive now and in adult life. But we know that our role does not end there. To create lasting change for children and young people, we also need to back the collaborative work that is happening across the systems that provide services to children and families. This work is tackling the root causes of poverty, inequality and adversity.

Through our partners, we deploy our funds and resources to help build the case for the long-term changes across Queensland that will improve policy and services for children and families – and therefore, the outcomes that children and young people can achieve.

We help our youth-focused partners to strengthen their practice and build evidence about what works, and support them to bring their real-world knowledge to collaborations with universities, government, other not-for-profits and philanthropists. Together, we seek to shape future systems that are responsive to the needs of every child and young person.



\$426,000

giving to new partners who are creating long-term systems change



3 new strategic partners

collaborating to improve Queensland's policy and practice for children and young people

Systems change partnerships

In 2023-24 Hand Heart Pocket committed \$426,000 towards an additional three partnerships that seek to improve the effectiveness of child and family systems, and address the root causes of adversity and inequality for children and young people.

MAJOR NEW PARTNERSHIPS



YOUTH ADVOCACY CENTRE INC

\$250,000 to design and establish a Youth Ambassador Program, co-designed with young people to ensure Hand Heart Pocket decision making and strategy is informed by the voice and lived expertise of young people.



\$76,000 to support a state-wide research and engagement project, to identify policy priorities for children and families, and improve sector integration.



Children's Health Queensland

\$100,000 to support the expansion and cross-cultural applicability of organisation-wide youth co-design processes and tools.

ONGOING PARTNERSHIPS*



Thriving Queensland Kids Partnership
connect • catalyse • learn

\$1.20m ongoing three-year partnership bringing community groups, policy makers, researchers and funders together to improve long-term outcomes for all children and young people.



\$250,000 ongoing two-year partnership to stand up the Queensland FoyerInvest Working Group, supporting advocacy for additional Youth Foyer funding, and fidelity of the Foyer model in implementation.



ChildProtectionPeak

\$1.20m ongoing three-year partnership to support major system-level reforms in the child protection system, enhancing the capacity of Aboriginal and Torres Strait Islander-led organisations to provide effective and culturally safe child protection services across Queensland.



\$100,000 to identify a sustainable funding model for ongoing operations and reduce reliance on government.

*Not all partnerships shown.

Young people's voices attract multi-millions in funding for solutions to youth homelessness

Almost 40% of people experiencing homelessness in Queensland are aged under 25 years, yet only 4% have social housing made available to them when they seek help. A stable and affordable home is recognised as essential for us all, enabling us to engage in work or education, form positive relationships, and participate in our communities. This is equally true for young people.

Thanks to 18 months of advocacy by the Queensland FoyerInvest Working Group (the Working Group), thousands of young people experiencing or at risk of homelessness over the next decade will have a stable home and be able to transition to adult life in a supportive environment.

Hand Heart Pocket and the Foyer Foundation established and co-chaired the Working Group this year, bringing together a consortium of youth services, community housing providers, philanthropy and impact investors – and some of the young people that live in Youth Foyers themselves – to demonstrate the investment case for Youth Foyers to the Queensland Government.

Youth Foyers provide young people aged 16 to 24 years old experiencing, or at risk of homelessness with a safe and stable home, integrated with education, employment and life skills support.

Co-chaired by Hand Heart Pocket and Mission Australia, the Working Group presented independent data showing that almost 80% of young people exit into safe and stable housing and 65% of young people gain secure and decent employment after living in an accredited Youth Foyer. This was combined with compelling stories from a number of young advocates about the growth and independence they have gained from living in a Youth Foyer. The case for investment was persuasive, and in February 2024, the Queensland Government announced funding for eight new Youth Foyers, a total investment estimated to be worth hundreds of millions of dollars. Each Foyer will provide a home,



Hand Heart Pocket established and co-chaired the Working Group to demonstrate the investment case for Youth Foyers to the Queensland Government.

communal facilities and vital supports for approximately 40 young people at a time, with projections that over the first ten years of their operation, the new Foyers will be able to support almost 3,000 young Queenslanders.

Hand Heart Pocket CEO Sara Parrott said, “When we have shared goals and work together, we can do more for Queensland. Together, the Working Group have brought our skills, expertise and resources to the table to work for systemic, positive change,” Ms Parrott said.

“Investing in Foyers is an investment in the lives of young people. We each have an important role to play in making this happen and this year’s commitment by the Queensland Government to fund eight new Youth Foyers is a great example of what’s needed from all jurisdictions.”

The first three of the new Youth Foyers will be delivered in Cairns, Hervey Bay and the Moreton Bay region.



Collaboration has led to

8 new Foyers for almost 3,000 Queensland young people

supported over 10 years

Max is getting happier and healthier every day

Thirteen-year-old Max* loves playing footy on the weekends and training twice a week with his local club. He recently got to see his idols play at an NRL game at Suncorp Stadium. When he is not on the field, Max is building Lego and enjoying school once more.

Max is now participating in the positive experiences that all children need to grow into strong members of our community. However, until a few months ago, these experiences were out of his reach: Max and his family experienced

hardship during his early life, leading Max to become disengaged from school and eventually detained within the youth justice system.

Max has taken up these new opportunities through the neuroscience-based *Yili Program*, delivered by Yiliyapinya Indigenous Corporation, and is now feeling connected and supported. He is working with a mentor, has joined a homework club, and participates in activities specially designed to support healthy brain

development. He's even discovered a love for painting and plastering, after doing a 10-week TAFE Trade Try Out.

Thanks to the Yili Program's holistic and evidence-based approach to engaging young people, the chances of Max re-offending have significantly reduced. His Mum couldn't be happier. Previously, Max disliked being at home, but he is now spending more time with his siblings and loved ones. The whole family are feeling closer and more positive about the future.

Max is now participating in the positive experiences that all children need to grow into strong members of our community. Image supplied by Yiliyapinya Indigenous Corporation.

*Max's real name has been withheld for privacy reasons.

Building communities and systems that work for young people

Hand Heart Pocket invests time, skills and funds in philanthropic partnerships with community organisations that address some of today's most complex social issues. We assist organisations to build their capacity and support them to create practical change for children and young people.

Our initial partnership with Yiliyapinya Indigenous Corporation helped them to strengthen their leadership, strategy and governance approaches. This investment enabled them to attract new sources of funding, including an additional \$485,000 in philanthropic and government support. Hand Heart Pocket have invested a further \$943,500 over three years in their Yili Program, which will assist more than 115 young people to re-engage with education and training, and avoid re-entering the youth justice system.

Yiliyapinya CEO Sheryl Batchelor has dedicated many years to helping First Nations children, young people and families to develop and maintain healthy brains. For her, it's about rewiring the brain from adverse childhood experiences and intergenerational trauma.

"Our brain's ability to change and grow is nothing short of amazing," Ms Batchelor said.

"But we know that prolonged toxic stress affects our life trajectory, so the sooner we strengthen our brain and move forward with resilience, the sooner we improve our emotional regulation, executive function and interpersonal skills."

"The Yili Program provides structured support, based on this neuroscience, to help young people bridge the gap in their education, and our local Elders incorporate cultural practices and teachings to help them develop their sense of identity," Ms Batchelor said.

This community-based program is part of a bigger picture.

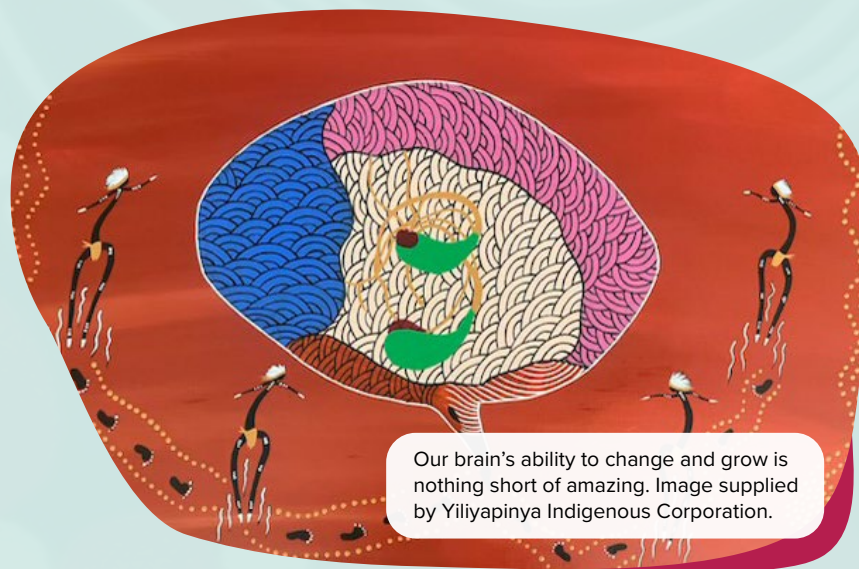
Hand Heart Pocket and Yiliyapinya collaborate with the Thriving Queensland Kids Partnership (the Partnership), which was set up to improve the systems that support children, youth and families. From initial funding provided by Hand



Image supplied by Yiliyapinya Indigenous Corporation.

Heart Pocket in 2021, the Partnership has now attracted an additional \$9.30 million in philanthropy and government funding to Queensland.

Yiliyapinya has been key to the Partnership's *Brain Builders Initiative*, which aims to build trauma-informed neuroscience knowledge and practice amongst the child and family services sector workforce. They are also central to *Deadly Brains* initiative, working alongside Queensland Brain Institute to develop neuroscience initiatives for Aboriginal and Torres Strait Islander communities.



Our brain's ability to change and grow is nothing short of amazing. Image supplied by Yiliyapinya Indigenous Corporation.

Stewarding our assets for future generations

Hand Heart Pocket is the careful steward of the financial assets established by previous generations of the Freemasons of Queensland.

We seek an average annual real return of 4.5% on our investments, after fees and inflation.

At the end of 2023-24 we had \$219.74 million of cash and financial assets invested, and achieved a return of \$23.47 million, or 11.31% across the year, thanks to our skilled Investment Committee, Chief Investment Officer and Executive team.

This performance enables us to maintain consistent levels of giving to the community, retain and reinvest significant funds, and strengthen our financial position – and therefore our impact – for future generations.

Our strategic investment approach in action

The primary objective of our Investment Committee is to build a diverse investment portfolio with the right mix of risk, financial return and impact. As a philanthropic foundation, our Responsible Investment and Philanthropy Policy guides all our investment activities and reflects our values and purpose. Under this policy, our responsible investments must achieve a minimum impact rating of A (Act to Avoid Harm), with a preference for investments that benefit stakeholders (B), in alignment with the Impact

Management Project's ABC Framework.¹

We only work with investment managers who align with our values, requiring a high level of confidence in both their investment performance and how they operate. Cambridge Associates have been our investment advisors since our philanthropic fund was first established eight years ago and in 2023-24 we held 38 investments across 26 carefully selected investment managers.

This year our Investment Committee's tactical strengths were clear. We delivered market-beating returns for the year, with lower-than-average volatility. We achieved this by proactively identifying and allocating funds to investment managers who we assessed as being likely to outperform, in a market context of declining inflation and consistent economic growth.

We actively manage the investment and divestment of our assets to achieve the right balance between defensive investments (lower return volatility, more liquid) and growth investment (higher volatility and often illiquid).

Deploying our capital for impact

Over the past three years of our strategy, we have steadily increased both our capability and capacity to invest in ways that go beyond the avoidance of harm and help us achieve our

purpose to partner for change. We are proud to be embracing an investment approach that actively deploys our capital to achieve positive social and environmental impact. We are also fostering growth within the impact investing market, including through our capacity-building partnership with Philanthropy Australia's Foundations Group for Impact Investing.

We apply the same assessment process to both our impact and responsible investments. For our impact investments, instead of following the return, risk and impact hierarchy, we assess and investment's impact potential first, followed then by its risk and return. To qualify for inclusion in our impact portfolio, an investment needs to achieve a minimum rating of C (Contribute to Solutions) against the ABC Framework, such as the NorthStar Impact Fund.

¹ Impact Frontiers (2023), <https://impactfrontiers.org/norms/abc-of-enterprise-impact/outcome-level/>

Our financial outcomes



\$220.27m
net assets



11.31%
return on financial assets
and cash



\$14.44m
total income retained for
future years

Our investment impact



41.5%
Avoids harm



45%
Benefits communities

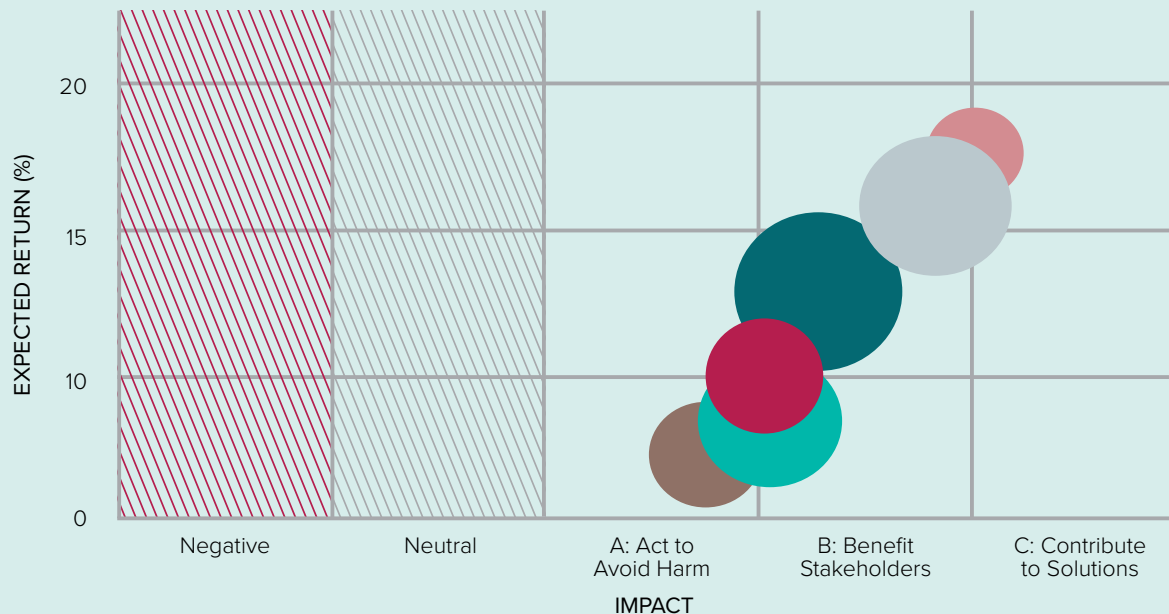


13.5%
Contribute to solutions

In 2023-24 our financial assets were deployed across a diverse range of investments, with varying risk, return and impact profiles.

Each circle in the chart below represents an asset class, with its size reflecting the level of allocation within the portfolio, and position showing its impact and return alignment.

Our responsible investments must achieve a minimum rating of A (Act to Avoid Harm), with our impact investments achieving a rating of C (Contribute to Solutions), against the ABC Framework.



Levels of impact avoided by our investment impact assessment process

Levels of negative impact excluded by our Responsible Investment Policy

Fixed Income Global Public Equities Private Equity

Australian Public Equities Alternatives Private Real Assets

NorthStar Impact Fund



As an evolving, relatively new market in Australia, impact investments have typically been illiquid, which has been a barrier to entry for investors who require more flexible access to their capital. As the only listed equities impact fund certified by the Responsible Investment Association Australia, NorthStar Impact Fund is addressing this gap. Hand Heart Pocket's decision to invest in NorthStar was based on its high levels of liquidity, market returns, and investment in some of today's most challenging social and environmental issues such as affordable housing, education, health, land management, recycling, and renewable energy.

Importantly, NorthStar occupies a unique market-building position on two levels: deploying both its capital and capacity-building resources to help new impact-positive companies scale; and enabling investors like Hand Heart Pocket to improve the liquidity of their portfolios through liquid impact-first investments that also achieve the right balance between return and risk.

Hand Heart Pocket is committed to supporting the growth and sustainability of impact investing in Australia, through the increased deployment of our capital to impact-first investments, and our continued support for initiatives that build both market appetite and sector capacity for impact investing.

Good governance in practice

Our accountable approach

The Freemasons of Queensland and PNG have proudly supported the community for over 115 years. Since 1978, the Board of Benevolence and of Aged Masons, Widows and Orphans' Fund has been a public charity, incorporated under Letters Patent.

We now have \$220.27 million net assets, making us Queensland's largest in-perpetuity philanthropic foundation.

Being transparent and accountable to our stakeholders is of utmost importance to us. The Australian Charities and Not-for-Profit Commission (ACNC) is our regulator, enforcing the *ACNC Act 2012* (Cth) and the *Charities Act 2013* (Cth) under which we operate.

Managing risks to our systems and people

This year the Board reviewed our organisational risk appetites and key risks, focusing on cybersecurity and workplace health and safety.

We appointed a specialist cybersecurity organisation to improve our ability to defend against cyberattacks and targeted scams. We also implemented system improvements to protect against security exposures and vulnerabilities, including cybersecurity training

for the Board and team, and 24/7 third-party monitoring of electronic devices and computer infrastructure.

Our Workplace Health and Safety policies were revised to integrate new legislation relating to psychosocial hazards and Respect at Work, further enhancing our supportive workplace culture.

Additionally, we maintained good risk hygiene by:

- monitoring the effectiveness of our Enterprise Risk Management Framework through quarterly reporting
- regular monitoring of our performance against all financial and regulatory compliance requirements.

Leading with diligence and integrity

Our Board diligently sets Hand Heart Pocket's strategic direction and its implementation, with key activities this year including:

Strategy

- reviewed and updated the current strategic plan and key performance indicators
- reviewed all proposals for new strategic partnerships against our philanthropic goals.

Leadership

- implemented plans to enhance Director succession
- enhanced Directors' capability through learning opportunities, site visits with partners, and Board Education sessions.

Governance

- monitored legislative and regulatory changes to ensure our approach meets contemporary requirements
- held a Responsible and Impact Investing Workshop to ensure Board and Executive alignment about how we allocate our investment capital.

Operations

- increased our investment returns, boosting our financial assets and retaining value for future generations
- monitored our environmental, social and governance risk and carbon impacts across the portfolio.

Member relations

- held a special Members' Annual Review event at the United Grand Lodge of Queensland and provided regular reporting to Members via Quarterly Communications
- supported Member community engagement efforts, through Matched Giving and Local Community Partnerships.

Our Board

Our Board meets six times a year to oversee operational performance, monitor the progress of our strategy implementation, and ensure a robust approach to risk management. We also convene three Board Committees: Finance, Risk and Audit; Nomination and Remuneration; and Investment.

The composition of our Board is unique, with a combination of highly skilled volunteer Member Directors and paid Independent Directors, to ensure an effective balance of industry knowledge and Freemason experience.

We also recognise and thank our two external contributors: Greg Jensen (Nomination and Remuneration Committee) and Bernard Curran (Finance, Risk and Audit Committee).

The expertise, enthusiasm and vision of our Board Members and external contributors is crucial in setting a clear strategic direction, and enabling us to deliver against our commitment of investing in our collective future.



Alasdair Begley

BSurv, Reg Surv (Cad),
EMBA, GAICD

Member, Tuscan-Kianawah Lodge, United Grand Lodge of Queensland

Chairman

Chair, Nomination & Remuneration Committee

Member, Investment Committee

Meetings attended 15/16



Craig Reimers

GCertSafLead, GAICD

Member, Halcyon Lodge, United Grand Lodge of Queensland

Deputy Chairman

Member, Nomination & Remuneration Committee

Member, Finance, Risk & Audit Committee

Meetings attended 12/12



Dr Jason Bingham

BAHum, MBA, DBA, PMP,
FAICD

Member, Mt Pleasant Lodge, United Grand Lodge of Queensland

Director

Member, Nomination & Remuneration Committee

Member, Finance, Risk & Audit Committee

Meetings attended 10/12



Jeff Harper

AFSM

Grand Master, United Grand Lodge of Queensland

Director

Member, Nomination & Remuneration Committee

Meetings attended 8/8



Paul Reeve

BA (Hons) Philosophy,
Politics and Economics

Director

Chair, Investment Committee

Meetings attended 13/14



Jane Crombie

BHMS, MBA, GAICD,
FGIA

Director

Chair, Finance, Risk & Audit Committee

Member, Investment Committee

Meetings attended 18/18



Lisa Siganto

MBA, BEng(Civil) Hons,
GAICD

Director

Member, Investment Committee

Meetings attended 13/14

Securing a strong financial position for the future

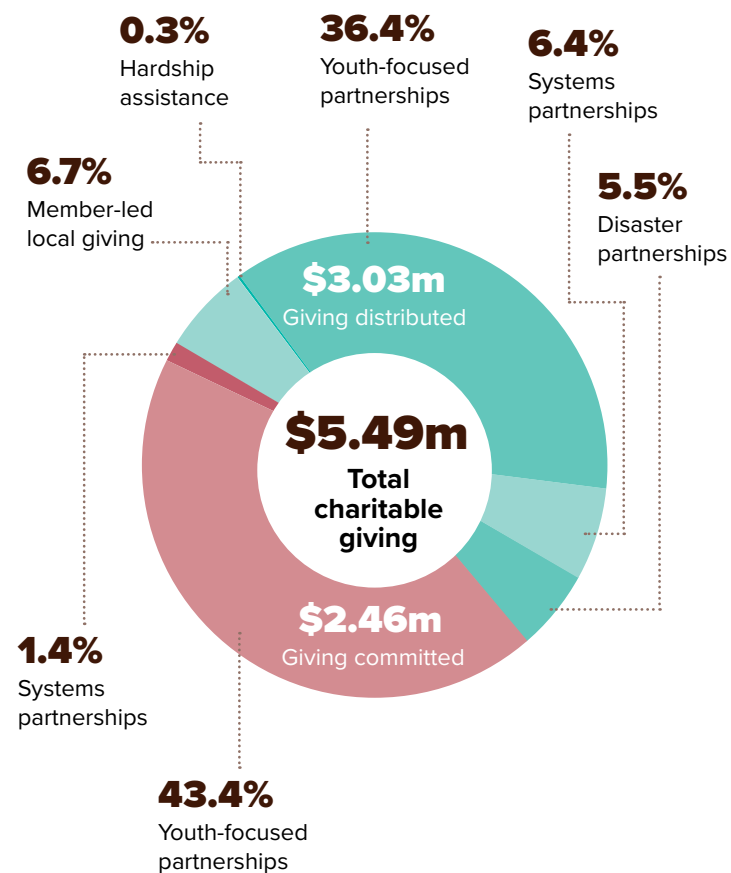
In 2023-24 our giving totalled \$5.49 million, supporting organisations across Queensland and Papua New Guinea, and backing the causes that matter most to our Members. We committed \$2.46 million towards multi-year partnerships, and distributed \$3.03 million.

Expenses associated with governance, communications and partnership administration were consistent with previous years. Expenses associated with foreign exchange hedging fluctuated from year to year.

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

	2024	2023
	\$	\$
Revenues from operating activities (Income from managed fund investments and donations)	4,287,170	6,767,712
Operating expenses	(4,351,724)	(8,193,046)
Giving payments	(3,032,524)	(1,772,096)
Giving commitments	(2,457,000)	(3,642,164)
Surplus (deficit) from operating activities before depreciation and amortisation and income tax expense	(5,554,078)	(6,839,594)
Depreciation and amortisation	(166,196)	(182,130)
Income tax expense	(54,896)	(61,521)
Surplus (deficit) for the year	(5,775,170)	(7,083,245)
Change in fair value of financial assets (growth of managed fund investments)	19,805,720	10,450,009
Change in fair value of property assets	411,211	-
Total comprehensive income (deficit) for the year	14,441,761	3,366,764

Charitable giving



Our investment strategy delivered exceptional results this year, returning 11.31% on the investment of our cash and financial assets. This allowed us to retain \$14.44 million in total income after giving and expenses. These results significantly exceed our target return benchmark of inflation plus 4.5%, further strengthening our financial position so we can continue to support the community in perpetuity.

EXTRACTS FROM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
Current assets		
Cash and cash equivalents	10,452,990	23,373,048
Other current assets	1,782,728	1,364,852
Non-current assets		
Financial assets at fair value through other comprehensive income	209,286,755	184,123,569
Property, plant and equipment and other non-current assets	4,147,335	3,887,506
Total assets	225,669,808	212,748,975
Liabilities		
Giving commitments	4,967,307	5,462,920
Other liabilities	430,915	1,456,228
Total liabilities	5,398,222	6,919,148
Net assets	220,271,588	205,829,827

Net assets



Access our **audited financial statements**, Annual Information Statements and Constitution via the Australian Charities and Not-for-profits Commission website: <https://www.acnc.gov.au/>



handheartpocket.org.au