

# Annual Report

November 2020



| easternstar  
FOUNDATION

# Who we are

The Eastern Star Foundation is a philanthropic foundation whose focus is helping to improve outcomes for the aged.

Our history of caring for the aged dates back to 1954, when a group of Order of the Eastern Star members established the organisation with a mission to provide a home for their aged members. The organisation later become an aged and community care provider, known as Star Aged Living and was based at Beaudesert in Brisbane.

The aged and community care business was sold in 2018, and the organisation transitioned into a

philanthropic foundation in 2019.

The Eastern Star Foundation's activities are underpinned by its values of dignity, independence and hope. Through our grant-funding, and partnerships with charities and other philanthropists, we help the aged to:



Remain independent



Practice choice



Participate in their community



Have a support network



Experience healthy ageing

## Eastern Star Foundation's vision, mission and values

### Our vision:

To empower those who enhance the quality of life for our ageing communities.

### Our mission:

We provide financial assistance to help initiatives become a reality for charities who care for our ageing communities, support their independence, and who are committed to helping them live well.

### Our values:

**Dignity** - We believe everyone should be honoured and respected.

**Independence** - We enable people to make their own choices.

**Hope** - We encourage people to have ambition for the future.

**The Eastern Star (Australia) Foundation Ltd trading as Eastern Star Foundation**

**Annual Report**  
November 2020  
ACN 166 950 321  
ABN 36 640 477 592

**Registered office:**  
PO Box 1202,  
Fortitude Valley QLD 4006  
Level 1, 826 Ann Street,  
Fortitude Valley QLD 4006  
Ph: 07 3493 6093  
info@easternstarfoundation.org.au  
www.easternstarfoundation.org.au

**Auditors:**  
Crowe Audit Australia  
Level 16, 120 Edward Street  
Brisbane Queensland 4000



## Summary of key financials 2019 - 2020 financial year:

	\$
Income	409,050
Expenditure	417,062
Operating Surplus/ (Deficit)	(8,012)
Other Income/ Comprehensive Deficit	(722,280)
<b>Total Comprehensive Income/(Deficit)</b>	<b>(730,292)</b>
Total assets	10,874,159
Total liabilities	5,006
<b>Net assets</b>	<b>10,869,153</b>

The primary asset for Eastern Star Foundation is the investment corpus, with a market value of \$10,254,973 as at 30 June 2020. The unrealised market gains/losses from the corpus are reported in Reserves in the Equity section of the Balance Sheet.

Other Comprehensive Income/ deficit amounting to \$722,280 relates to unrealised market losses on investments for the year as a result of the effects of the COVID-19 pandemic.

Although the ongoing impact of the pandemic is still unknown and unable to be quantified, the board of directors believe that there is no material risk to the corpus and its ability to continue to deliver its operations.



# Chairman's report

Over the past year, the Eastern Star Foundation Board has continued its commitment to its philanthropic focus to help our aged to live well. Our transition from aged care to a philanthropic foundation was completed with our new name registered as The Eastern Star (Australia) Foundation Ltd, and our inaugural grant round announced.

## Our Theory of Change

Our Theory of Change was developed earlier this year as part of our strategy workshop, to guide our granting activities. Through our support of evidence-based programs and initiatives that help older people to remain independent, practice choice, participate in their community, have a support network, and experience healthy ageing, we hope to help improve outcomes for the aged in our community.

## Our philanthropy in action

This year saw the start of our granting activities since becoming a foundation, and we announced grants to Lady Musgrave Trust, Blackall Range Care Group, and Palliative Care Queensland's Ambulance Wish program.

A \$100,000 grant was awarded to Lady Musgrave Trust to help fund their Ending Homelessness for Older Women project, which included the development of a new website which provides a central repository of information and resources for those seeking help. In addition, more than 12,000 hard copies of a new Handy Guide for Older Women have been produced and distributed throughout communities across the state.

Some of the funding also went towards Lady Musgrave Trust's annual Women and Homelessness Forum which was held as an online forum this year on 5 August 2020 and focused on Older Women – Living on the Edge of Homelessness. The forum brought industry experts and stakeholders together to collaborate on ways to address this ever-growing social issue.

The Eastern Star Foundation's grant of \$50,000 to the Palliative Care Queensland Ambulance Wish program is funding their volunteer village coordinator to ensure the smooth scheduling of volunteer activities, and to make sure the volunteers receive the required training to perform their roles. The Ambulance Wish program helps to make the final wishes of people who are terminally ill a reality. Members of the Eastern Star Foundation board attended a small ceremony in September this year to unveil the Eastern Star Foundation logo on the Wish Ambulance "Betty".

A \$100,000 grant to Blackall Range Care Group Ltd from the Eastern Star Foundation will allow the organisation to remodel, repaint and re-fitout its 40-year old respite centre in Nambour. The upgrade to the centre will enable the organisation to not only meet the demand for its services into the future but to also increase the range of services offered. The upgrade works are expected to be completed at the end of this year.

The board is also now underway with our second year of granting activities with the 2020-21 financial year grant round currently open for applications until 30 November 2020.

## Investing for the future

Investment markets globally have been volatile this past year as a result of the effects of the Coronavirus pandemic. The value of our investment portfolio in June 2020 was \$10.3 million. This is a decrease from its value of \$10.7 million at the end of the 2018-19 financial year. However, there has been some recovery since the end of June with the value being \$10.6 million as of 30 September 2020. Our investment strategy has a relatively conservative risk profile to ensure our portfolio can withstand market fluctuations over the long-term.

## A new website

We recently launched our new website [www.easternstarfoundation.org.au](http://www.easternstarfoundation.org.au) which gives our members, potential grant applicants, and other stakeholders easy access to information about the activities of the foundation and how to apply for a grant. This is an exciting step forward for our foundation and will help us to create and communicate our charitable impact.

The Eastern Star Foundation Board looks forward to continuing its philanthropic mission this next year and to helping our aged to live well.

Yours sincerely

**Jonathan Nantes**  
Chairman, The Eastern Star  
(Australia) Foundation Ltd

# Our board and governance

The Eastern Star (Australia) Foundation Ltd is registered with the Australian Charities and Not-for-profits Commission (ACNC). Our board oversees the Foundation's governance, prudential responsibilities and strategy, and receives management, administration and marketing support from Hand Heart Pocket the Charity of Freemasons Queensland. Our board members are pictured from left to right and are listed in the order they are pictured.



## **Douglas Kelly Director**

**Commenced November 2013**

Doug is extensively involved in the community and has worked in the building industry for more than 51 years. He established an award-winning building and property development business of which he is currently a director.

He has been an active community leader in the Ipswich region since

1970 and founded the Ipswich Prostate Support Group and the Ipswich and District Vintage Machinery Club. Doug has been a member of the United Grand Lodge of Queensland since 1976, and for four years held the position of Master of Fassifern Kilwinning. He has also held the positions of treasurer at the Booval Temple Committee, and he is a Past Worthy District Grand Patron at the South Brisbane District Grand Committee.

## **Carol Carey Secretary**

**Commenced November 2018**

Carol was appointed to the board in 2018 and now holds the role of secretary. Her career has given her experience in finance, nursing, administration and staff training. Her most rewarding role was as a psychiatric nurse in England, where her care focussed on the elderly.

She has been involved in the Order



of the Eastern Star for many years starting with Rocklea Sunnybank Chapter No.33 taking on various positions before becoming Worthy Matron. After Rocklea's Dormancy in 2008, Carol joined Beenleigh Chapter No.199 in 2009 and has been the secretary there for the past seven years.

**Jonathan Nantes  
Chairman**

**Commenced November 2010**

Following several years as a director on the board, Jonathan was elected as chairman in late 2018. His background as an owner of a sheep and cattle station in Charleville and a small trucking business before coming to Brisbane has given him a good understanding of the dynamics of business. He also holds a Certificate III in Bus and Coach Accreditation.

Jonathan holds an enormous amount of pride in the Order of the Eastern Star's continual support, and the board's vision for greater charity and benevolent work. He has been a member of the Order of the Eastern Star since 1973 and now holds the position of Worthy Grand Associate Patron in the United Grand Chapter of Australia.

**Elizabeth Watt  
Director**

**Commenced November 2012**

Through her extensive 35-year career at Centrelink, and 12 years as a finance lecturer, Elizabeth brings a wealth of knowledge in the areas of policy and finance to the board.

A member of the Order of the Eastern Star since 1980, Elizabeth has served as Worthy Matron of Sunny South Chapter for 10 terms and as Deputy Grand Matron of South Australia from 1995-1997. Elizabeth's commitment and excellence in service were recognised in 2007-2009 when she was honoured to be the Most Worthy Grand Matron of the United Grand Chapter of Australia.

**John Howard  
Deputy Chairman**

**Commenced November 2014**

John has had extensive experience in aged care management, holding senior management positions for over 30 years. He brings a wealth of knowledge to the board as a qualified director. John has previously worked as General Manager of St Paul de Chartres, a 98-bed residential care facility with 86 independent retirement living units. He has extensive governance, financial and administrative experience.

John is a member of St Andrews Lutheran College Council, a past Director of Lutheran Laypeople's League and formerly an Associate Member of the Australian Institute of Management. He is a Justice of the Peace and Member of the Australian Institute of Company Directors.

**Leigh Kennedy  
Director**

**Commenced November 2010**

Leigh has been in the Order of the Eastern Star since 1973 and was a Worthy Matron five times with Ruth, Mizpah and Adah Chapters, and is currently the Worthy Matron of Coorparoo Chapter for a third term. Currently, Leigh is the Grand Associate Matron of the Grand Chapter of Queensland and a Past Worthy District Grand Matron. She has been a member of the Star Gardens Association since 2002, and on the board for many years.

Leigh was awarded the prestigious 'Life Membership' for her continuous years of volunteering with Meals on Wheels Mt Gravatt branch, and she now serves on the board of Meals on Wheels Queensland.

**Roslynn (Roz) Black  
Director**

**Commenced July 2020**

Roz joined the Eastern Star Foundation Board in 2020 with diverse career experience spanning the non-profit, government and legal sectors. Her passion for the non-profit sector has seen her work in, and volunteer her time for

charitable organisations, including being on two non-profit governance boards. Roz has a Graduate Certificate in Business (Philanthropy and Non-profit Studies) from QUT's Australian Centre for Philanthropy and Non-profit Studies which furthered her knowledge in non-profit governance and regulatory compliance.

Roz is deeply aware of the challenges and opportunities that present themselves in the non-profit sector, which assists her in developing a fuller understanding of the organisations that the Eastern Star Foundation supports.



**Mike Carey  
Director**

**Commenced November 2009  
Retired November 2019**

Mike was on the board for many years and previously served as chairman for seven of those years. He has over thirty years' experience in the building and property development industry, including many years working for the Princess Alexandra Hospital at RAF Wroughton in the United Kingdom. After moving to Australia, he worked for the Wesley Hospital in Brisbane which saw him involved in a \$9 million operating theatre upgrade.

Mike has been involved in a number of community groups including the City of Logan Masonic Lodge and the Order of the Eastern Star.

Mike is a Justice of the Peace (Qualified) and has a Diploma of Building in which he achieved Honours in Building Law.

# Program granting dying wishes of ill Queenslanders gets \$50,000 boost



The dying wishes of more terminally ill people will be fulfilled this year with Eastern Star Foundation awarding a \$50,000 grant to Palliative Care Queensland's Ambulance Wish Queensland program.

The grant has enabled the organisation to further develop the program, which provides specialised transportation and the necessary medical care to empower those faced with a terminal illness to carry out their last wishes.

The grant has funded the volunteer village coordinator, to ensure that all program volunteers such as doctors, nurses, paramedics and members of the community, receive the necessary training to perform their roles within the requirements of the program. The coordinator will also ensure the smooth scheduling of volunteer activities and be able to

measure volunteer engagement.

Palliative Care Queensland Chief Executive Officer Shyla Mills said this support would help them to extend their reach,

"Our program was launched last year, we had over 200 expressions of interest to volunteer within the first 6 months and a social media reach of over 150 million," Ms Mills said.

"This program is still in its infancy and had to be put on hold for a period of time due to COVID-19. However, it has really struck a chord with the community, so the recruitment, training and coordination of our ever-growing team of volunteers is a crucial component of our success as we look to re-start the program in July.

"The benefits of granting a final wish go far beyond the person

requesting it and can equally impact the person's loved ones and their wider support network. Therefore, our ability to provide a safe and enjoyable experience is our priority, so that memories can be made, and patients wellbeing can be improved. In addition the positive impact this program has on our volunteers is important too.

"Of course, what all of this will allow us to do, in a broader sense is, to change the narrative around positive dying."

The grant was one of three initiatives to be funded by Eastern Star Foundation in its inaugural grant round, since becoming a charitable foundation last year. The group which was formerly known as Star Aged Living operated a not-for-profit aged care facility in Beaudesert before it was sold to Whiddon Group.

Eastern Star Foundation Chairman Jonathan Nantes said his organisation was proud to partner with Palliative Care Queensland on this important program.

"Our charitable focus is to empower those who enhance the quality of life for our ageing communities and given that the majority of Ambulance Wish Queensland's clients are in their older years, this partnership was the perfect fit," Mr Nantes said.

"We look forward to furthering their cause to give the gift of choice to those nearing the end of life to fulfil their last wishes."

# New program fast-tracked to help end homelessness for older women

The Eastern Star Foundation's \$100,000 grant to The Lady Musgrave Trust has helped to make it easier for older women experiencing homelessness or at risk of being homeless in Queensland to navigate their way to a better life.

The gap funding has helped Queensland's oldest charity to rollout the Ending Homelessness for Older Women project, which includes the development of a new website, that will be a central repository of information and resources for those seeking help. In addition, a minimum of 16,000 hardcopies of the new Handy Guide for Older Women have been produced and are being distributed throughout communities across the state.

A portion of the funding has also gone towards their annual Women and Homelessness Forum which was held as an online forum on 3 August 2020 and focused on Older Women – Living on the Edge of Homelessness.

The Lady Musgrave Trust Chief Executive Officer Karen Lyon Reid said with an ageing population, now is the time to step up efforts in this area.

"We're seeing the number of older homeless women rise, with a 31% increase since 2011," Ms Lyon Reid said.

"The reasons why women face homelessness in their older years are many and varied, whether that's due to a family breakdown or loss



of a partner, domestic violence, poor mental and physical health, poverty or financial difficulties due to loss of employment and lack of superannuation.

"The common denominator is that many of these older women are experiencing or at risk of homelessness for the first time and don't know where to turn for help or feel daunted when approaching support services that are tailored for those that have been homeless in the long-term.

"This funding will help us improve outcomes for this vulnerable group right across the state."

Eastern Star Foundation Chairman Johnathan Nantes said this was one of three initiatives to be funded by the organisation in its inaugural grant round, since becoming a charitable foundation last year.

The group, which was formerly known as Star Aged Living and was established by members of the Order of the Eastern Star, operated a not-for-profit aged care facility in Beaudesert before it was sold to Whiddon Group early last year.

"Our new charitable focus is to empower those who enhance the quality of life for our ageing communities," Mr Nantes said.

"Indeed, the initiative aligns with our key activities which includes support for older and elderly women suffering from financial and physical hardship.

"We are proud to partner with The Lady Musgrave Trust on this important initiative to help more older women lead dignified and independent lives."



# Grant helps aged to live well on Sunshine Coast Hinterland



A social and recreational hub which enables older people and the elderly on the Sunshine Coast Hinterland to stay connected is set to undergo an expansion, with Blackall Range Care Group Ltd receiving a \$100,000 grant from Eastern Star Foundation.

The Nambour Social Centre's Sundowners and the Clubhouse Respite Room building, which was first established almost 40 years ago, will be remodelled, repainted and fitted-out with new furniture and equipment, enabling the organisation to not only meet the demand for its services into the future but to also increase the range of services offered.

Blackall Range Care Group Chief Executive Officer Greg Mannion said the Hinterland's aged population had already surpassed the national average percentage of those aged 70+, indicating how timely these upgrades were.

"As more people choose to retire in the region in the years to come, these figures will continue to climb, which is why this funding is so vital. In the Nambour District alone, we currently provide community care services to over 650 clients," Mr Mannion said.

"We've seen how a dedicated space, where older people can get together to socialise over a game of cards, be entertained by a local musician, take part in arts and crafts amongst many other activities, can make a world of difference to their day-to-day lives. To know that this centre will be able to provide this service on a larger scale is a great outcome for our community."

The grant was one of three initiatives to be funded by Eastern Star Foundation in its inaugural grant round, since becoming a charitable foundation last year.

The group, which was formerly known as Star Aged Living and was established by members of the Order of the Eastern Star, operated a not-for-profit aged care facility in Beaudesert before it was sold to Whiddon Group early last year.

Eastern Star Foundation Chairman Jonathan Nantes said his organisation's focus was to empower charitable groups that support the ageing in our communities to live well.

"By backing this initiative, we will be helping more aged people on the Sunshine Coast Hinterland to maintain their independence, be active members of the community and have a positive outlook on life," Mr Nantes said.

"We are proud to support this regional initiative."





**EASTERN STAR (AUSTRALIA) FOUNDATION LTD.**

**ABN 36 640 477 592**

**ACN 166 950 321**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**

## DIRECTORS REPORT

The directors and board members, being the responsible persons in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and the Corporations Act 2001, submit the financial report of the Eastern Star (Australia) Foundation Ltd (the entity) for the financial year ended 30 June 2020.

The following board members have been in office since the start of the financial year to the date of this report unless otherwise stated:

### Current Board Members

Charles Jonathon Nantes	(Chairman)
John Raymond Howard	(Deputy Chairman)
Carol Ann Carey	(Secretary)
Douglas Vincent Kelly	
Leigh Rosemary Kennedy	
Elizabeth Alexandra Watt	
Roslynn Raye Black (appt 07/20)	

### Retired/Resigned

Michael Edwin Carey (11/19)

The directors present the following report together with the annual financial statements, including disclosures in accordance with the Reduced Disclosure Regime (RDR), for the year ended 30 June 2020.

The comprehensive deficit for the year totalled \$730,292 (2019: surplus \$1,181,279), the majority of which is reflected in the change in fair value of financial assets existing at 30 June 2020 resulting from significant market declines in February and March 2020, attributed to the coronavirus pandemic (COVID-19) disruptions. This result was also impacted by the inaugural grant allocations totalling \$250,000.

### Objectives

The short-term objectives to implement a repeatable and sustainable grant allocations program throughout Queensland to enhance the quality of life for our ageing communities was achieved.

The longer-term objectives remain the primary focus of the board to provide financial assistance in the form of grants to charities who support the ageing in our communities and assist people to live well.

### Strategy for achieving the objectives

The entity implemented a grant process to provide potential charity partners an opportunity to submit an application to describe how they will contribute to supporting independence and helping our ageing communities to live well across Queensland. All grant applications are reviewed and assessed using objective criteria to identify suitable grant partners.

### Principal activities

During the 2020 year, the principal activities of the entity were: to derive passive income to enable the provision of charitable grants; to assess the capability and quality of potential grant partners, to meet the short-term and long-term objectives of the entity. Grants awarded to successful applicants assist individuals in providing independence and living well, across our communities in Queensland.

### Performance measures

The entity measures its performance through its investment returns, real corpus growth and through total grants allocated and paid. Key Performance Indicators include real investment growth, surplus/(deficit) from operating activities and total grant payments.

**DIRECTORS REPORT (continued)**

**Information on Directors**

Name: Charles Jonathon Nantes  
Title: Non-Executive Chairman  
Experience and expertise: An experienced grazier from Western Queensland, trucking business operator and manager has significant business exposure.  
Responsibilities: Chairman of the Board

Name: John Raymond Howard  
Title: Non-Executive Director  
Experience and expertise: A senior manager in the aged care industry for 30 years with extensive board and business management knowledge.  
Responsibilities: Deputy Chairman and Chair Audit & Risk Committee

Name: Carol Ann Carey  
Title: Non-Executive Director  
Experience and expertise: Always with a focus on care through her Nursing background and broad exposure to training and finance activities.  
Responsibilities: Company Secretary

Name: Douglas Vincent Kelly  
Title: Non-Executive Director  
Experience and expertise: Construction and contracting business management for 50 years, including property development.  
Responsibilities: Member Audit & Risk Committee

Name: Leigh Rosemary Kennedy  
Title: Non-Executive Director  
Experience and expertise: A senior and experienced organisation president, occupying various leadership roles across numerous associations and charitable entities.  
Responsibilities: Member Nominations & Remuneration Committee

Name: Elizabeth Alexandra Watt  
Title: Non-Executive Director  
Experience and expertise: A 35-year career in government and a further 12-years as a finance lecturer, ensure policy setting and financial capacity.  
Responsibilities: Member Audit & Risk Committee

Name: Roslynn Raye Black (appt 07/20)  
Title: Non-Executive Director  
Experience and expertise: Philanthropic grant manager and governance expertise.  
Responsibilities: Philanthropy and strategic granting

Name: Michael Edwin Carey (resigned 11/19)  
Title: Former Non-Executive Director  
Experience and expertise: Over 30 years in the building and property development industry, and a Justice of the Peace.  
Responsibilities: -



**DIRECTORS REPORT (continued)**

**Meetings of directors**

The number of meetings of the Board of Directors held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Board meeting	
	Attended	Held
Charles Jonathon Nantes	7	7
John Raymond Howard	7	7
Carol Ann Carey	6	7
Douglas Vincent Kelly	5	7
Leigh Rosemary Kennedy	7	7
Elizabeth Alexandra Watt	7	7
Michael Edwin Carey (11/19)	3	3

Held: represents the number of meetings held during the time the director held office.

The Coronavirus pandemic continues to impact both communities and businesses throughout the world, including Australia and the community where the entity operates. This pandemic may have a financial impact for the entity in the 2021 financial year and beyond. The scale, timing and duration of the potential impacts on the entity is unknown.

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

There are no known financial developments that will impact future operations and as such no information has been included in this report.

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The entity was not a party to any such proceedings during the year.

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

No income tax is payable by the entity as it is exempt in accordance with the Australian Income Tax Assessment Act.

*Contribution on winding up*

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. There is only one class of membership. At 30 June 2020, the total amount that members of the entity are required to contribute, if wound up, is \$230 (2019: \$200)

*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 5 of this financial report and forms part of the responsible persons report.

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

  
.....  
C.J. Nantes, Chairman

  
.....  
J. R. Howard, Deputy Chairman

Dated this 9th day of October, 2020



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## Auditor's Independence Declaration

As an auditor of The Eastern Star (Australia) Foundation Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements as set out in 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.

The declaration is in respect of The Eastern Star (Australia) Foundation Limited during the year.



**Crowe Audit Australia**



**Mike McDonald** oAM  
Partner

9 October 2020  
Brisbane

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.*

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EASTERN STAR (AUSTRALIA) FOUNDATION LTD.  
ABN 36 640 477 592

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

		2020	2019
	Note	\$	\$
Revenues from operating activities	2(a)	409,050	336,624
Employee benefits expense		-	(6,852)
Consultancy and accounting expenses	3(a)	(20,646)	(59,643)
Legal expenses		(26,383)	(44,969)
Investment management fees		(52,522)	(33,051)
Grant payments	3(b)	(250,000)	(13,847)
Management and administration fees		(41,250)	-
Other expenses from operating activities		(26,261)	(18,758)
Surplus (deficit) from operating activities before depreciation and amortisation and income tax expense.		<u>(8,012)</u>	<u>159,504</u>
Income tax expense	1(a)	-	-
Non-operating income	2(b),18	-	500,000
<b>Surplus (deficit) for the year</b>		<u><b>(8,012)</b></u>	<u><b>659,504</b></u>
<b>Other comprehensive income</b>			
Change in fair value of financial assets (managed fund investments)	2(c),8	(722,280)	521,775
<b>Other comprehensive income (deficit) for the year</b>		<u><b>(722,280)</b></u>	<u>521,775</u>
<b>Total comprehensive income (deficit) for the year</b>		<u><b>(730,292)</b></u>	<u>1,181,279</u>

The accompanying notes form part of these financial statements.



EASTERN STAR (AUSTRALIA) FOUNDATION LTD.  
 ABN 36 640 477 592

STATEMENT OF FINANCIAL POSITION  
 AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents	4	617,610	896,687
Trade and other receivables	5	1,576	9,730
Total current assets		619,186	906,417
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	6	10,254,973	10,702,404
<b>Total assets</b>		10,874,159	11,608,821
<b>Current liabilities</b>			
Trade and other payables	7	5,006	9,376
Total current liabilities		5,006	9,376
Total non-current liabilities		-	-
<b>Total liabilities</b>		5,006	9,376
<b>Net assets</b>		10,869,153	11,599,445
<b>Equity</b>			
Retained surplus		11,069,658	11,077,670
Reserves	8	(200,505)	521,775
<b>Total equity</b>		10,869,153	11,599,445

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 30 JUNE 2020**

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2018</b>	10,418,166	-	10,418,166
Surplus (deficit) for the year	659,504	-	659,504
Total other comprehensive income	-	521,775	521,775
<b>Balance at 30 June 2019</b>	<u>11,077,670</u>	<u>521,775</u>	<u>11,599,445</u>
Surplus (deficit) for the year	(8,012)	-	(8,012)
Total other comprehensive income	-	(722,280)	(722,280)
<b>Balance at 30 June 2020</b>	<u>11,069,658</u>	<u>(200,505)</u>	<u>10,869,153</u>

The accompanying notes form part of these financial statements.

EASTERN STAR (AUSTRALIA) FOUNDATION LTD.  
ABN 36 640 477 592

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and government		968	48,397
Payments to suppliers and employees		(171,432)	(286,504)
Donations and bequests received		22,799	258
Grant payments		(250,000)	(13,847)
Dividends and distributions received		295,165	221,327
Interest received		22,695	117,227
<b>Net cash inflow (outflow) from operating activities</b>	12	<b>(79,805)</b>	86,858
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		457,790	36,356
Proceeds from (cost for) sale of business		-	(68,430)
Payments for investments		(657,062)	(10,216,984)
<b>Net cash inflow (outflow) from investing activities</b>		<b>(199,272)</b>	(10,249,058)
<b>Cash flows from financing activities</b>			
<b>Net cash inflow (outflow) from financing activities</b>		-	-
<b>Net increase (decrease) in cash held</b>		<b>(279,077)</b>	(10,162,200)
Cash at the beginning of the financial year		896,687	11,058,887
Cash at the end of the financial year	4	<b>617,610</b>	896,687

The accompanying notes form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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

Eastern Star (Australia) Foundation Ltd (the entity) is registered under the *Australian Charities and Not-for-Profits Commission Act 2012* and is domiciled in Australia. For the purposes of preparing the financial statements, the entity is a not-for-profit entity.

**Reporting Basis and Conventions**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), and the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012 and the Corporations Act 2001*. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements were authorised for issue on 9th October 2020 by the Board.

**Summary of Significant Accounting Policies**

**(a) Income tax**

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

**(b) Revenue**

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

**Revenue from operating activities**

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

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

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

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

Member dues are recognised when received.

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

**(c) Fair value measurement**

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**(d) Financial Assets**

*Recognition, initial measurement and derecognition*

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

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

*Classification and subsequent measurement of financial assets*

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

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

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

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

Classifications are determined by both:

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

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

*Subsequent measurement of financial assets*

*Financial assets at amortised cost*

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

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

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

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

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

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139.

*Allowance for expected credit losses*

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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

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

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

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

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

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

*Trade and other receivables*

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

*Classification and measurement of financial liabilities*

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

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

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

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

**(e) Trade and other payables**

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

**(f) 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.

**(g) 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.

**(h) Comparatives**

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

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

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

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

The entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**Revenue from contracts with customers (AASB 15)**

The entity has adopted AASB 15 from 1 July 2019.

The standard replaces most of the existing standards and interpretations relating to revenue recognition, including AASB 118 Revenue and AASB 111 Construction Contracts.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This is described further in the accounting policies above.

**Leases (AASB 16)**

The entity has adopted AASB 16 from 1 July 2019.

The standard replaces the existing AASB 117 'Leases' and for lessees eliminates the classifications of operating and finance leases.

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 17. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit and loss.

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

For lessor accounting, the standard does not substantially change how the lessor accounts for leases.

**Income of not-for-profit entities (AASB 1058)**

The entity has adopted AASB 1058 from 1 July 2019.

The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of the receipt.

Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the assets' fair value; and where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation.

If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

<b>NOTE 2: REVENUE</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>(a) Revenue from operating activities</b>			
Donations and bequests		22,799	258
Member dues		480	365
Investment income		295,165	221,327
Interest income		15,029	98,276
Realised gain on financial assets (managed fund investments)		75,577	-
Other operating revenue			16,398
		<u>409,050</u>	<u>336,624</u>
<b>(b) Non-operating income</b>			
Sale of provisionally allocated bed licences	18	-	500,000
		<u>-</u>	<u>500,000</u>
<b>(c) Change in fair value of financial assets - other comprehensive income</b>			
		<u>(722,280)</u>	521,775
<b>Total revenue</b>		<u><u>(313,230)</u></u>	<u>1,358,399</u>
<b>NOTE 3: Expenses</b>			
<b>Surplus (deficit) from operating activities includes:</b>			
<b>(a) Remuneration of the auditor</b>			
- Audit services		<u>4,800</u>	<u>23,000</u>
<b>(b) Grant payments</b>			
		<u>250,000</u>	<u>13,847</u>
All grants undergo a rigorous and objective grant application process to identify potential charity partners who will contribute to supporting independence and helping our ageing communities to live well. All grant applications are reviewed and assessed using objective criteria with the final approval decision granted by the board.			
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>			
Cash at bank		17,610	46,687
Term deposits maturing within less than twelve months		600,000	850,000
		<u>617,610</u>	<u>896,687</u>
<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>			
<b>CURRENT</b>			
Other receivables		1,576	9,730
		<u>1,576</u>	<u>9,730</u>
<b>NOTE 6: FINANCIAL ASSETS</b>			
<b>NON-CURRENT</b>			
<b>Financial assets at fair value through other comprehensive income</b>			
Managed funds, which include only listed type entities.		10,254,973	10,702,404
		<u>10,254,973</u>	<u>10,702,404</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

<b>NOTE 7: TRADE AND OTHER PAYABLES</b>	<b>2020</b>	<b>2019</b>
<b>CURRENT</b>	<b>\$</b>	<b>\$</b>
Trade creditors	160	3,076
Other payables	4,846	6,300
	<u>5,006</u>	<u>9,376</u>
 <b>NOTE 8: RESERVES</b>		
Financial asset reserve	(200,505)	521,775
	<u>(200,505)</u>	<u>521,775</u>

**Financial asset reserve**

The financial asset reserve reflects the movement in fair value of the listed managed funds, as per Note 6, for which the movement in the fair value of such funds has been recorded directly to other comprehensive income.

**NOTE 9: CONTINGENT LIABILITIES**

The entity had no contingent liabilities as at 30 June 2020 (2019: \$-).

**NOTE 10: EXPENDITURE COMMITMENTS**

The entity had no commitments for expenditure as at 30 June 2020 (2019: \$-).

**NOTE 11: FAIR VALUE MEASUREMENTS**

**Fair value hierarchy**

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

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

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

Level 3: Unobservable inputs for the asset or liability.

	<b>Total (Level 1) \$</b>
<b>2020</b>	
<b>Assets</b>	
Financial assets at fair value through other comprehensive income	<u>10,254,973</u>
Total assets	<u>10,254,973</u>
 <b>2019</b>	
<b>Assets</b>	
Financial assets at fair value through other comprehensive income	<u>10,702,404</u>
Total assets	<u>10,702,404</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

<b>NOTE 12: CASH FLOW INFORMATION</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of surplus (deficit) after income tax to net cash inflow (outflow) from operating activities is as follows:		
Surplus (deficit) after income tax - continuing operations	<b>(8,012)</b>	659,504
Non-cash flows in operating surplus (deficit)		
Net (gain) loss on sale of business	-	(500,000)
Realised (gain) loss on sale of financial assets	<b>(75,577)</b>	-
Change in operating assets and liabilities		
(Increase) decrease in receivables	<b>8,154</b>	103,499
Increase (decrease) in payables	<b>(4,370)</b>	(176,144)
Increase (decrease) in provisions	-	-
<b>Net cash inflow (outflow) from operating activities</b>	<b><u>(79,805)</u></b>	<b><u>86,859</u></b>

**NOTE 13: SIGNIFICANT EVENT - COVID-19**

The COVID-19 pandemic emerged as a significant event in Australia from January 2020. The impacts that followed, particularly from February through to June and into the following financial year have been felt across the domestic and international economies. This has had an effect on investment performance and distribution income. At this point in time, the ongoing impacts are not able to be determined.

**NOTE 14: SUBSEQUENT EVENTS**

No events occurred subsequent to the year end that would require disclosure in the financial statements, other than those events disclosed within the notes to the financial statements.

**NOTE 15: KEY MANAGEMENT PERSONNEL DISCLOSURES**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
The total compensation made to key management personnel of the entity was:	-	-

**NOTE 16: RELATED PARTY TRANSACTIONS**

There were no transactions that occurred with related parties in the 2020 or 2019 years.

**NOTE 17: LIMITATION OF MEMBERS' LIABILITY**

The company is incorporated as a company limited by guarantee, and in accordance with the constitution, the liability of members in the event of the company being wound up would not exceed \$10 per member. At 30 June 2020 the number of members of this company was 23 (2019: 20).

**NOTE 18: SALE OF BUSINESS**

In the 2019 year, a further \$500,000 was paid by Frank Whiddon Masonic Homes of New South Wales as a result of the approval by the Department of Health for the time extension for the 24 provisionally allocated bed licences which were held by Star Aged Living Ltd., now known as Eastern Star (Australia) Foundation Ltd.

**NOTE 19: ENTITY INFORMATION**

The principal place of business is:

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

### RESPONSIBLE PERSONS DECLARATION

In the opinion of the responsible persons of the Eastern Star (Australia) Foundation Ltd:

1. The financial statements and notes, as set out in pages 6 to 16, are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 and the Corporations Act 2001, including :
  - a. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-Profits Commission Regulations 2013; and
  - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date.
2. In the opinion of the responsible persons, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



---

J. Howard, Deputy Chairman and Chair Audit, Risk & Investment Committee

Dated this 9th day of October, 2020



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## Independent Auditor's Report

To the Members of The Eastern Star (Australia) Foundation Limited

### Opinion

We have audited the financial report of The Eastern Star (Australia) Foundation Limited (the Foundation), which comprises the statement of financial position as at 30 June 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons Declaration.

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

- (a) Giving a true and fair view of the Fund's financial position as at 30 June 2020 and of its financial performance for the year then ended.
- (b) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### 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 Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information contained in the Fund's Responsible Persons' Report for the year ended 30 June 2020 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.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.*

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### **Responsibilities of Management for the Financial Report**

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Management are responsible for overseeing the Fund's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

A handwritten signature in black ink that reads "Crowe Audit Australia".

**Crowe Audit Australia**

A handwritten signature in black ink that reads "Mike McDonald".

**Mike McDonald** OAM  
Partner

9 October 2020  
Brisbane



[www.easternstarfoundation.org.au](http://www.easternstarfoundation.org.au)