

Annual Report

November 2021



| **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 and experience healthy ageing.

To keep up to date with the Eastern Star Foundation go to:
www.easternstarfoundation.org.au

Eastern Star Foundation's vision, mission and values



VISION

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



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.



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.



Remain independent



Practice choice



Participate in their community



Have a support network



Experience healthy ageing



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

Annual Report

November 2021

ACN 166 950 321

ABN 36 640 477 592

Registered office:

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Fortitude Valley QLD 4006

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Fortitude Valley QLD 4006

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Auditors:

Crowe Audit Australia

Level 16, 120 Edward Street

Brisbane Queensland 4000

2020-21 Highlights

5
Grant
recipients

\$356,500
Funding
distributed*

* including first multi-year
commitment of \$100,000 to be
paid over the next two years

\$11.98m
Net assets

\$1.4m
Investment
value
increase

\$562,477
Income

\$479,698
Expenditure

Summary of key financials 2020 - 21:

	\$
Income	562,477
Expenditure	479,698
Operating Surplus/ (Deficit)	82,779
Other Comprehensive Income/Deficit	1,036,965
Total Comprehensive Income/(Deficit)	1,119,744
Total assets	11,999,811
Total liabilities	10,914
Net assets	11,988,897

The primary asset for Eastern Star Foundation is the investment corpus, with a market value of \$11,647,340 as at 30 June 2021. The unrealised market gains/losses from the corpus are reported in Reserves in the Equity section of the Balance Sheet and total \$836,460 since inception of the fund.

Other Comprehensive Income amounting to \$1,036,965 relates to unrealised market gains on investments throughout the year.

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.

**See our full Audited
Financial Results on
pages 8-20 of this
Annual Report**



Chairman's report

Over the past year, the Eastern Star Foundation Board has continued its commitment to an ongoing philanthropic focus to help the aged within our communities to live well.

Our second year of philanthropic granting has been a great success with five organisations receiving grants to support them in their service delivery in local communities, with total annual grant commitments of \$356,500. This includes our first multi-year commitment of \$100,000 to be paid over the next two years.

Our governance activities

The Board has maintained an ongoing program of good governance activities. These activities include strong attendance at our frequent board meetings and undertaking committee and board evaluations to ensure we are achieving our objects. A review of the current strategy and key focus area was undertaken to monitor the appropriateness of our core granting approach. The Board closely monitors the financial performance of both business operations and the investment portfolio. This work has been supported through key partners and I would like to thank them for their ongoing support and assistance.

Our philanthropy in the community

We are proud to have increased our support of evidence-based programs that empower our ageing communities to live well.

Our grant recipients this year included: Australian War Widows Queensland, Suncare Community Services, Guide Dogs, Samford Support Network Inc and Hear and Say.

The Australian War Widows Queensland were awarded \$100,000 for a new minivan. This transport will enable members, particularly those in regional areas, to participate in their community of fellow war widows and have a support network, with staff able to take members to various meetings and events.

The grant will also provide the first year of a multi-year support arrangement to help pay for the fuel and running costs of the minivan as well as the costs of running the annual Sub-branch Taxi Subsidy Program.

Additional recurrent funding of \$50,000 annually for two further years will also be provided, to help reduce the program's operating cost pressures and allow their elderly widows to stay socially connected.

Similarly, older residents living in remote areas on the Sunshine Coast are staying socially connected, with the help of Suncare Community Services. The not-for-profit received \$45,000 for a vehicle and running costs for a year. This has meant volunteers can take residents to community-based activities more regularly as well as to various appointments.

Later this year Guide Dogs will unveil a new vehicle funded through a \$50,000 grant, allowing elderly people with low or no vision

in Southeast Queensland and their guide dogs to easily access programs, training and services. The funds will also cover the vehicle's running costs for a year.

Hear and Say will launch their website in December thanks to \$49,500 having been provided for its redevelopment. This increase in accessibility will support the organisation's aim to help more older Queenslanders to stay socially connected through optimised hearing.

The fifth and final grant, as part of this year's grant round, was awarded to Samford Support Network. A contribution of \$12,000 helped the not-for-profit to purchase essential equipment such as mobile alert pendants and IT equipment and to cover volunteer training and transport costs, all which contributes to its support of the elderly.

We are now in the midst of our third annual grant round for the 2021-22 financial year which opened on 20 September. Applications will be accepted until 1 December 2021.

Investment portfolio

Investment markets globally have recovered well from the declines of the prior financial year, as they have come to terms with the turmoil and government reactions to COVID. This has led to a much faster recovery of the portfolio value than has been seen previously. The value of our investment portfolio on 30 June 2021 was \$11.6 million. This is a significant increase from its value of \$10.2 million at the end of the 2019-20 financial year.

Our investment strategy has a conservative risk profile to ensure our portfolio can withstand market fluctuations over the longterm and provide ongoing granting proceeds annually.

Ord Minnett have provided a very valuable service to our organisation. The Board has reviewed their performance and is satisfied that we continue to be supported through their expertise. They have supported the Board through the challenges of the COVID uncertainty and continue to apply their expertise for our long-term benefit.

Administration support

During the year the Board has also focused on establishing a transition plan for its administration support services, which have been provided by Hand Heart Pocket since before the sale of the Star Gardens home in Beaudesert. Hand Heart Pocket advised the Board during the year that as a result of their recent staffing restructure they would no

longer be able to provide the same ongoing administrative support to ESF.

The Board has sought to identify appropriate alternatives with the assistance of Hand Heart Pocket and we have recently appointed Australian Communities Foundation (ACF) a national charity administration and governance support provider. The ACF provide the same essential service to scale for Australian charities, trusts and foundations and have done for many years.

The Board believes that this partnership will enable us to focus on our core work while being supported in our back-of-house administration and company secretarial functions by ACF.

We are looking forward to this new partnership and are also very happy that Hand Heart Pocket will continue to provide access to meeting rooms for our Board and committee

meetings. We are very thankful to Hand Heart Pocket for years of support navigating the complex transition and legal restructure as we exited aged care and transitioned to a philanthropic foundation.

The Board is excited to move forward into this new relationship and eager to continue to build on our strong foundations to enable more charities to support those ageing in the community to live better lives.

Yours sincerely



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

Photos (L-R): The Australian War Widows Queensland (AWWQ) minivan displaying the Eastern Star Foundation logo, Eastern Star Foundation Chairman Jonathan Nantes, Suncare Community Services client Frances and Suncare Community Services Chairman Mario Pennisi at the official ribbon cutting of their new community vehicle.



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 received management, administration and marketing support from Hand Heart Pocket the Charity of Freemasons Queensland.



Back row: Douglas Kelly (Director retired 11/20), Jonathan Nantes (Chairman), John Howard (Deputy Chairman), Roslynn (Roz) Black (Director) and Victoria Lister (Director). Front row: Carol Carey (Secretary), Elizabeth Watt (Director) and Leigh Kennedy (Director).

Directors attendance at board meetings

Jonathan Nantes 6/6
John Howard 5/6
Carol Carey 6/6

Leigh Kennedy 6/6
Elizabeth Watt 6/6
Roslynn (Roz) Black 6/6 (appt. 07/20)

Victoria Lister 4/4 (appt. 11/20)
Douglas Kelly 3/3 (ret. 11/20)

Improved hearing keeps older Queenslanders socially connected



Older Queenslanders with hearing loss will be able to seek support sooner and live life to the fullest thanks to an upgrade of the Hear and Say website.

The charity has recently expanded its service to support older Queenslanders with hearing loss, having supported children and families for almost three decades.

To strengthen this new service offering, Hear and Say is utilising a \$49,500 grant from Eastern Star Foundation to redevelop its website to make vital information more accessible to older Queenslanders seeking support.

Hear and Say Acting CEO Bridget Murray said the new website will not only have important information, case studies and videos on hearing loss but will also provide another way for people to make appointments for hearing tests, hearing aids and cochlear implants.

"This is a significant investment in our online infrastructure," Ms Murray said.

"We have seen an increasing need for our services within the older demographic and with more and more seniors now online, we will soon be able to better connect them with the help they need.

"Hearing loss can have such a negative impact on an older person's life. By addressing hearing loss sooner, we can help to restore their dignity, regain choice and reconnect socially."

The way hearing loss affects those in their older years can be different to what a child experiences. For a young person, it impacts their social, emotional and academic development and their life journey. As an older person, it can inhibit their ability to fully participate in the community both socially and economically.

Coupled with an ageing population, it is estimated that 3.6 million Australians currently have hearing loss, a figure expected to double by 2060¹. Hearing loss is referred to as the "invisible disability" as the consequences of hearing loss are often underestimated. Research has shown that age-related hearing loss may be associated with an increased risk of dementia.

Hear and Say operates five centres throughout Queensland together with a telepractice program for rural and remote families. These centres are located in Brisbane, Gold Coast, Nambour, Toowoomba and Townsville.

The charity supports people with hearing loss through the provision of

advanced audiology services, state of-the-art hearing technology and specialised speech pathology called auditory-verbal therapy.

Each year, Hear and Say supports thousands of children and adults across internationally-recognised programs including a cochlear implant program, school hearing screening, research and WorldWide Education and Training. On average, one child every fortnight has their cochlear implants switched onto sound for the first time at Hear and Say.

Eastern Star Foundation Chairman Jonathan Nantes said his organisation was proud to partner with Hear and Say on this important initiative.

"We are focused on empowering those who enhance the quality of life of our ageing communities," Mr Nantes said.

"We commend Hear and Say for addressing this gap in the market around support for the increasing number of older Queenslanders with hearing loss, and are pleased to help catalyse their vital work."

¹ Deloitte Access Economics. (2017). The social and economic cost of hearing loss in Australia. Hearing Care Industry Association. http://www.hcia.com.au/hcia-wp/wp-content/uploads/2015/05/Social-and-Economic-Cost-of-Hearing-Health-in-Australia_June-2017.pdf

More residents like Frances to keep community connections

According to 89-year-old Frances Lawrence, Suncare Community Services has helped to make her life so much better through their transport service, which is keeping residents in isolated parts of the community connected.

"The service has been a blessing for me as I have been visiting my husband twice a week who has been in residential care since February 2019," the Buddina local said.

"I originally accessed transport services with Suncare through the Commonwealth Home Support System at a time I was feeling quite isolated and alone. Now the care has been transitioned onto a Home Care Package in May 2021."

Suncare Community Services now has more capacity to help the elderly to be independent, with Eastern Star Foundation generously funding a brand-new car, to bolster their Community Visitors Scheme.

Suncare Community Services Chairman Mario Pennisi said the new car will help to support those in the aged community that might feel isolated or lonely to reconnect through public participation.

"The aim of this program is to provide friendship and companionship to older people, help develop social connections and networks and give participants the skills to increase their connection to community," Mr Pennisi said.

"Regular connection with others has proven to be effective in diminishing the effects of social isolation. These effects include an

increased chance of developing anxiety and depression, elevated blood pressure, increased chance of developing dementia as well as a range of physical health implications."

"Suncare staff identify community members who need that extra support. From there, our volunteers guide them on a pathway that is suitable for the participant, either developing their skills to become digitally connected or finding opportunities for them to participate meaningfully within their community via volunteering or supporting a community project."

Eastern Star Foundation provided \$45,000 for the new car and to cover running costs for a year as part of their 2021 grant round.

Eastern Star Foundation Chairman Jonathan Nantes said the initiative

aligned with the foundation's mission.

"Eastern Star Foundation is committed to empowering those who enhance the quality of life of our ageing communities," Mr Nantes said.

"We are proud to partner with Suncare Community Services on this important initiative that will enable so many older members of the community to remain socially connected and lead more independent lives.

The Community Visitors Scheme currently supports more than 40 participants across the Sunshine Coast and Brisbane. Suncare has plans to increase this to 250 participants from the Gold Coast to Rockhampton.





EASTERN STAR (AUSTRALIA) FOUNDATION LTD.

ABN 36 640 477 592

ACN 166 950 321

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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 2021.

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)
Leigh Rosemary Kennedy	
Elizabeth Alexandra Watt	
Roslynn Raye Black (appt 07/20)	
Victoria Louise Lister (appt 11/20)	

Retired/Resigned

Douglas Vincent Kelly (11/20)

The directors present the following report together with the annual financial statements, including disclosures in accordance with the Australian Accounting Standards Reduced Disclosure Regime (RDR), for the year ended 30 June 2021.

The comprehensive surplus for the year totalled \$1,119,744 (2020: deficit \$730,292), the majority of which is reflected in the change in fair value of financial assets existing at 30 June 2021.

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:	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:	Victoria Louise Lister (appt 11/20)
Title:	Non-Executive Director
Experience and expertise:	Business management and consultant to the not-for profit sector.
Responsibilities:	Philanthropy and strategic granting
Name:	Douglas Vincent Kelly (resigned 11/20)
Title:	Non-Executive Director
Experience and expertise:	Construction and contracting business management for 50 years, including property development.
Responsibilities:	Member Audit & Risk Committee

DIRECTORS REPORT (continued)

Meetings of directors

The number of meetings of the Board of Directors held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Board Meetings	
	Attended	Held
Charles Jonathon Nantes	6	6
John Raymond Howard	5	6
Carol Ann Carey	6	6
Leigh Rosemary Kennedy	6	6
Elizabeth Alexandra Watt	6	6
Roslynn Raye Black (appt 07/20)	6	6
Victoria Louise Lister (appt 11/20)	4	4
Douglas Vincent Kelly (11/20)	3	3

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

The effects of the Coronavirus pandemic continue to impact communities and businesses across the globe, including Australia and the community where the entity operates. The pandemic may have a financial impact on the entity in the 2022 financial year or beyond, however the scale of the potential impacts are not able to be determined at this time.

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 \$240 (2020: \$230)

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

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 14th day of October, 2021

Auditor's Independence Declaration

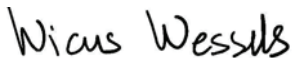
As an auditor of The Eastern Star (Australia) Foundation Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- 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



Wicus Wessels

Partner

14 October 2021

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

		2021	2020
	Note	\$	\$
Revenues from operating activities	2(a)	562,477	409,050
Employee benefits expense		-	-
Consultancy and accounting expenses	3(a)	(8,015)	(20,646)
Legal expenses		(5,226)	(26,383)
Investment management fees		(54,153)	(52,522)
Grant payments	3(b)	(256,500)	(250,000)
Management and administration fees		(45,000)	(41,250)
Other expenses from operating activities		(15,675)	(26,261)
Realised loss on financial assets (managed fund investments)		(95,128)	-
Surplus (deficit) from operating activities before depreciation and amortisation and income tax expense.		82,779	(8,012)
Income tax expense	1(a)	-	-
Surplus (deficit) for the year		82,779	(8,012)
Other comprehensive income			
Change in fair value of financial assets (managed fund investments)	2(b),8	1,036,965	(722,280)
Other comprehensive income (deficit) for the year		1,036,965	(722,280)
Total comprehensive income (deficit) for the year		1,119,744	(730,292)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	4	351,754	617,610
Trade and other receivables	5	716	1,576
Total current assets		352,470	619,186
Non-current assets			
Financial assets at fair value through other comprehensive income	6	11,647,341	10,254,973
Total assets		11,999,811	10,874,159
Current liabilities			
Trade and other payables	7	10,914	5,006
Total current liabilities		10,914	5,006
Total non-current liabilities		-	-
Total liabilities		10,914	5,006
Net assets		11,988,897	10,869,153
Equity			
Retained surplus		11,152,437	11,069,658
Reserves	8	836,460	(200,505)
Total equity		11,988,897	10,869,153

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Retained Earnings	Financial Assets Reserve	Total
	\$	\$	\$
Balance at 1 July 2019	11,077,670	521,775.00	11,599,445
Surplus (deficit) for the year	(8,012)	-	(8,012)
Total other comprehensive income	-	(722,280)	(722,280)
Balance at 30 June 2020	11,069,658	(200,505)	10,869,153
Surplus (deficit) for the year	82,779	-	82,779
Total other comprehensive income	-	1,036,965	1,036,965
Balance at 30 June 2021	11,152,437	836,460	11,988,897

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers and government		300	968
Payments to suppliers and employees		(121,009)	(171,432)
Donations and bequests received		-	22,799
Grant payments		(256,500)	(250,000)
Dividends and distributions received		338,683	295,165
Interest received		3,580	22,695
Net cash inflow (outflow) from operating activities	12	(34,946)	(79,805)
Cash flows from investing activities			
Proceeds from sale of investments		3,726,573	457,790
Payments for investments		(3,957,483)	(657,062)
Net cash inflow (outflow) from investing activities		(230,910)	(199,272)
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities		-	-
Net increase (decrease) in cash held		(265,856)	(279,077)
Cash at the beginning of the financial year		617,610	896,687
Cash at the end of the financial year	4	351,754	617,610

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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 15th October 2021 by the Board.

Going concern

The financial report for the Foundation has been prepared on a going concern basis.

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 2021

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 2021**

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. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 2021

NOTE 2: REVENUE	Note	2021 \$	2020 \$
(a) Revenue from operating activities			
Donations and bequests		-	22,799
Member dues		300	480
Investment income		338,683	295,165
Interest income		3,872	15,029
Realised gain on financial assets (managed fund investments)		219,622	75,577
Total revenue from operating activities		562,477	409,050
(b) Change in fair value of financial assets - other comprehensive income		1,036,965	(722,280)
Total revenue		1,599,442	(313,230)
NOTE 3: Expenses			
Surplus (deficit) from operating activities includes:			
(a) Remuneration of the auditor			
- Audit services		6,000	4,800
(b) Grant payments		256,500	250,000
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.			
NOTE 4: CASH AND CASH EQUIVALENTS			
Cash at bank		101,754	17,610
Term deposits maturing within less than twelve months		250,000	600,000
Total cash and cash equivalents		351,754	617,610
NOTE 5: TRADE AND OTHER RECEIVABLES			
CURRENT			
Other receivables		716	1,576
		716	1,576
NOTE 6: FINANCIAL ASSETS			
NON-CURRENT			
Financial assets at fair value through other comprehensive income			
Managed funds, which include only listed type entities.		11,647,341	10,254,973
		11,647,341	10,254,973

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 7: TRADE AND OTHER PAYABLES

CURRENT

	2021	2020
	\$	\$
Trade creditors	4,779	160
Other payables	6,135	4,846
	10,914	5,006

NOTE 8: RESERVES

Financial asset reserve	836,460	(200,505)
	836,460	(200,505)

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 2021 (2020: \$-).

NOTE 10: EXPENDITURE COMMITMENTS

The entity had no commitments for expenditure as at 30 June 2021 (2020: \$-).

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.

	Total (Level 1) \$
2021	
Assets	
Financial assets at fair value through other comprehensive income	11,647,341
Total assets	11,647,341
2020	
Assets	
Financial assets at fair value through other comprehensive income	10,254,973
Total assets	10,254,973

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 12: CASH FLOW INFORMATION

	2021	2020
	\$	\$
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	82,779	(8,012)
Non-cash flows in operating surplus (deficit)		
Realised (gain) loss on sale of financial assets	(124,493)	(75,577)
Change in operating assets and liabilities	0	
(Increase) decrease in receivables	860	8,154
Increase (decrease) in payables	5,908	(4,370)
Increase (decrease) in provisions	-	-
Net cash inflow (outflow) from operating activities	(34,946)	(79,805)

NOTE 13: SUBSEQUENT EVENTS

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

NOTE 14: KEY MANAGEMENT PERSONNEL DISCLOSURES

	2021	2020
	\$	\$
The total compensation made to key management personnel of the entity was:	-	-

NOTE 15: RELATED PARTY TRANSACTIONS

There were no transactions that occurred with related parties in the 2021 or 2020 years.

NOTE 16: 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 2021 the number of members of this company was 24 (2020: 23).

NOTE 17: 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 2021 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 Committee

Dated this 14th day of October, 2021

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 2021, 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 Directors' Declaration.

In our opinion, the accompanying financial report of the Foundation 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 Foundation's financial position as at 30 June 2021 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 Foundation in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Directors is responsible for the other information. The other information comprises the information contained in the Foundation's Report for the year ended 30 June 2021 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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. 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 The Directors for the Financial Report

The Directors 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 the Directors 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, the Directors is responsible for assessing the Foundation'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 the Directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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 the Directors 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.

Crowe Audit Australia
Crowe Audit Australia

Wicus Wessels
Wicus Wessels
Associate Partner

15 October 2021
Brisbane

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www.easternstarfoundation.org.au