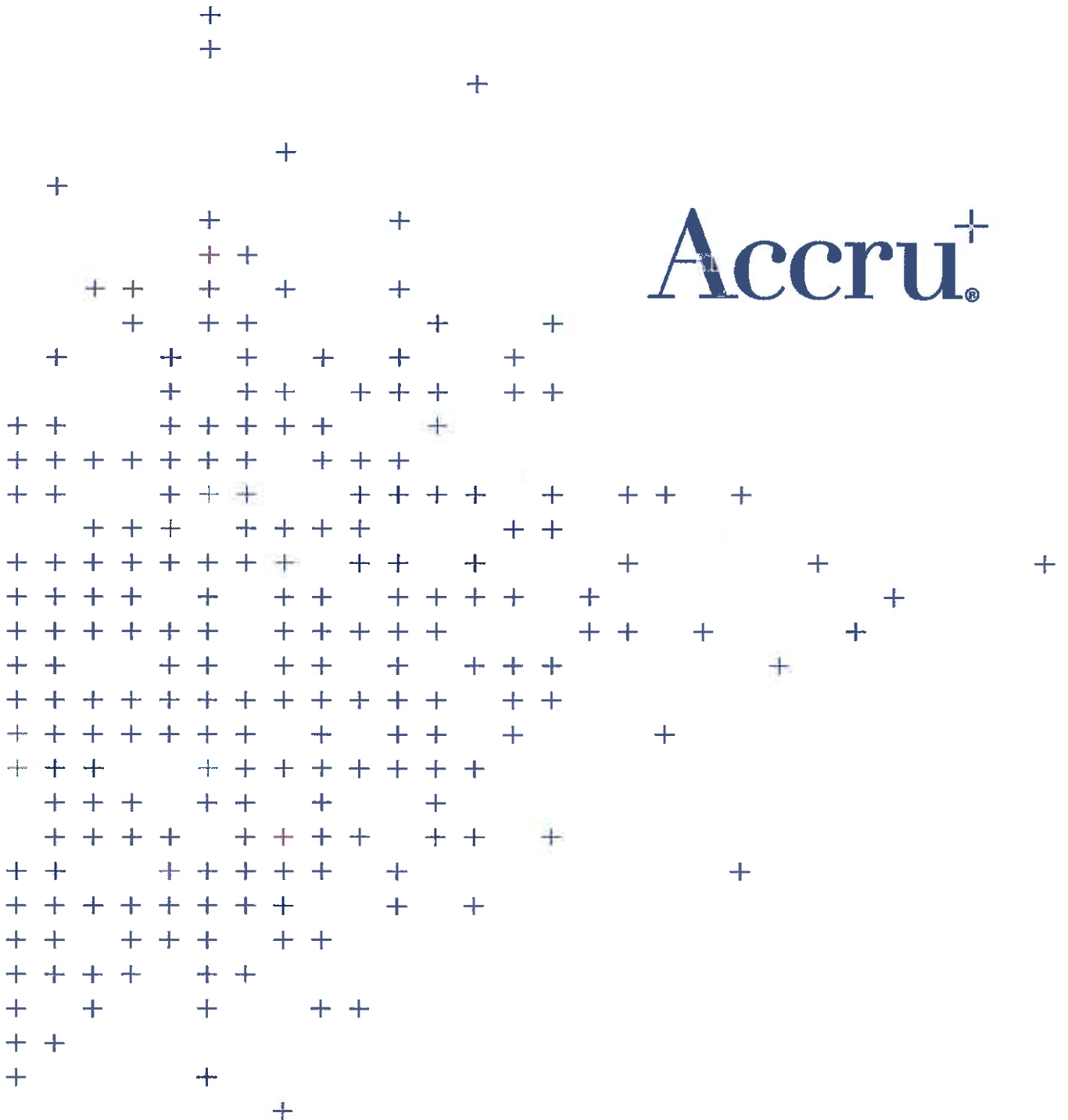


THE FREEMASONS PUBLIC CHARITABLE
FOUNDATION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019



The Freemasons Public Charitable Foundation

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For the Year Ended 30 June 2019

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The Freemasons Public Charitable Foundation

Directors' Report

30 June 2019

The directors of Freemasons Foundation Victoria Limited (Trustee Company) present their report on The Freemasons Public Charitable Foundation (Trust) for the financial year ended 30 June 2019.

The Trust was created on 1st December 1998 pursuant to a Trust Deed and at which time the Corpus was established. In compliance with changes to legislation, a Deed of Variation was signed on 23rd July 2012 appointing Freemasons Foundation Victoria Limited (formerly The Freemasons Public Charitable Foundation Limited), a company limited by guarantee, as Trustee.

Directors

The names of the directors of the Trustee Company in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Myles King	Chairman	
Philip Mayers	Deputy Chairman	
Timothy Clark		
David Gibbs		
Garry James		Appointed 14/11/2018
Rodney Lavin		Appointed 14/11/2018
John Patterson		Appointed 14/11/2018
Andre Clayton		Resigned 14/11/2018
George Streitberg		Resigned 14/11/2018
Andrew Dexter		Resigned 14/11/2018
Edward Finch		Resigned 10/10/2018
Jane Hill		Resigned 14/11/2018
Carol Scholes-Robertson		Resigned 14/11/2018

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. No remuneration was paid to any Director.

Company secretary

The following persons held the position of Trust secretary at the end of the financial year:

Neil Gregory Cripps - since 09/11/16

Principal activities

The Freemasons Public Charitable Foundation is a Trust and is registered as a Public Ancillary Fund whose main purpose is to raise funds, and to make grants to Deductible Gift Recipient Charities.

There were no significant changes in the nature of The Freemasons Public Charitable Foundation's principal activities during the financial year.

Operating results

The surplus of the Trust amounted to \$ 234,395 (2018: \$ 199,499).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Trust during the year.

Events after the reporting date

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

The Freemasons Public Charitable Foundation

Directors' Report

30 June 2019

Likely developments

Likely developments in the operations of the Trust and the expected results of those operations are not expected to materially change the results of future operations.

Indemnification and insurance of officers and auditors

No indemnities have been given, during or since the end of the financial year, for any person who is or has been an officer or auditor of The Freemasons Public Charitable Foundation.

Insurance premiums

During or since the end of financial year, the Trust has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts. Such insurance contracts insure certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Trust.


The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2019 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Chairman:



Myles King

Dated 21 October 2019

The Freemasons Public Charitable Foundation

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Members of The Freemasons Public Charitable Foundation

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, 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.



ACCRU MELBOURNE (AUDIT) PTY LTD



G D WINNETT
Director

50 Camberwell Road
HAWTHORN EAST VIC 3123

21 October 2019

The Freemasons Public Charitable Foundation

**Statement of Comprehensive Income
For the Year Ended 30 June 2019**

	2019	2018
	\$	\$
Dividend and interest revenue	983,948	976,905
Donations	42,888	5,529
Management charge	(36,213)	(23,890)
Distributions	(664,533)	(656,460)
Investment management	(66,661)	(63,266)
Other expenses	(25,034)	(39,319)
Surplus for the year	234,395	199,499
Other comprehensive income:		
Items that will not be reclassified to surplus or deficit		
Net fair value movements for financial assets	699,059	565,681
Net profit on sale of financial assets	171,207	99,168
Other comprehensive income for the year	870,266	664,849
Total comprehensive income for the year	1,104,661	864,348

The accompanying notes form part of these financial statements.

The Freemasons Public Charitable Foundation

Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	98,962	170,319
Trade and other receivables	3	507,598	505,758
Other assets	4	4,497	3,921
TOTAL CURRENT ASSETS		<u>611,057</u>	<u>679,998</u>
NON-CURRENT ASSETS			
Financial assets	5	16,923,452	15,741,175
TOTAL NON-CURRENT ASSETS		<u>16,923,452</u>	<u>15,741,175</u>
TOTAL ASSETS		<u>17,534,509</u>	<u>16,421,173</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	38,735	30,060
TOTAL CURRENT LIABILITIES		<u>38,735</u>	<u>30,060</u>
NET ASSETS		<u>17,495,774</u>	<u>16,391,113</u>
EQUITY			
Original Endowment	10	100	100
Reserves	10	17,952,053	16,849,955
Accumulated deficiency		(456,379)	(458,942)
TOTAL EQUITY		<u>17,495,774</u>	<u>16,391,113</u>

The accompanying notes form part of these financial statements.

The Freemasons Public Charitable Foundation

Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Accumulated Deficiency	Original Endowment	Capital Account	Capital Preservation Reserve	Financial Asset Revaluation Reserve	Financial Asset Realisation Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	(458,942)	100	11,730,833	2,504,085	1,712,779	902,258	16,391,113
Surplus for the year	234,395	-	-	-	-	-	234,395
Other comprehensive income							
Net fair value movements for financial assets	-	-	-	-	699,059	-	699,059
Net profit on sale of financial assets	-	-	-	-	-	171,207	171,207
Transfers							
Transfers to capital account	(4,073)	-	4,073	-	-	-	-
Transfers to capital preservation reserve	(227,759)	-	-	227,759	-	-	-
Balance at 30 June 2019	(458,379)	100	11,734,906	2,731,844	2,411,838	1,073,465	17,495,774
Balance at 1 July 2017	(363,816)	100	11,728,954	2,211,339	1,147,098	803,090	15,526,765
Surplus for the year	199,499	-	-	-	-	-	199,499
Other comprehensive income							
Net fair value movements for financial assets	-	-	-	-	565,681	-	565,681
Net profit on sale of financial assets	-	-	-	-	-	99,168	99,168
Transfers							
Transfers to capital account	(1,879)	-	1,879	-	-	-	-
Transfers to capital preservation reserve	(292,746)	-	-	292,746	-	-	-
Balance at 30 June 2018	(458,942)	100	11,730,833	2,504,085	1,712,779	902,258	16,391,113

The accompanying notes form part of these financial statements.

The Freemasons Public Charitable Foundation

Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Dividend and franking credits received	869,973	585,502
Interest received	-	181
Donations received	44,232	3,535
Other receipts	14,100	12,484
Payments to suppliers and beneficiaries	(800,058)	(788,151)
Net cash provided by/(used in) operating activities	7 <u>128,247</u>	<u>(186,449)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of financial assets	2,219,533	3,397,108
Purchase of financial assets	(2,419,137)	(3,141,763)
Net cash provided by/(used in) investing activities	<u>(199,604)</u>	<u>255,345</u>
Net increase/(decrease) in cash and cash equivalents held	(71,357)	68,896
Cash and cash equivalents at beginning of year	<u>170,319</u>	<u>101,423</u>
Cash and cash equivalents at end of financial year	2 <u><u>98,962</u></u>	<u><u>170,319</u></u>

The accompanying notes form part of these financial statements.

The Freemasons Public Charitable Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers The Freemasons Public Charitable Foundation as an individual entity. The Freemasons Public Charitable Foundation is a not-for-profit Trust domiciled in Australia and primarily involved in charitable purposes.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

1 Summary of Significant Accounting Policies

(a) Income tax

The Trust is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Trust and specific criteria relating to the type of revenue as noted below, has been satisfied. Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Donations

Donations and bequests are recognised as revenue when the right to receive payment is established.

Interest revenue

Interest is recognised using the effective interest method.

Dividend revenue

Dividends are recognised when the Trust's right to receive payment is established, which in the case of quoted securities is the tax date. The Trust does not pay tax, dividends and dividend franking credits are received in cash, and accordingly the Trust does not have a dividend franking account.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Trust classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Trust changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Trust's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Trust has a number of strategic investments in listed over which they do not have significant influence nor control. The Trust has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset revaluation reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

The Freemasons Public Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL. The Trust does not hold any financial assets in this category.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of financial assets has increased significantly since initial recognition and when estimating ECL, the Trust considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Trust's historical experience and informed credit assessment and including forward looking information.

The Trust uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Trust uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Trust in full, without recourse to the Trust to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Trust in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Trust has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Trust renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(d) Financial instruments

Financial assets

is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Trust measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Trust comprise trade payables, bank and other loans and finance lease liabilities.

(e) Distributions

Distributions to beneficiaries represent grants made by the Trust to charitable organisations and are recognised as incurred when the directors of the Trustee Company approve the grant application.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Fair value of assets

The Trust measures its financial assets at fair value on a recurring basis. Fair value is the price the Trust would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie 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. AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy. The assigned level for financial asset held at fair value by the Trust is level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

(h) Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

(i) Adoption of new and revised accounting standards

The Trust has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Trust.

First time adoption of AASB 9: Financial Instruments – Applicable from financial year 1 July 2018

AASB 9: Financial Instruments replaces AASB 139: Financial Instruments: Recognition and Measurement for the annual period beginning on or after 1 January 2018, bring together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Freemasons Public Charitable Foundation

Notes to the Financial Statements For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(i) Adoption of new and revised accounting standards

First time adoption of AASB 9: Financial Instruments – Applicable from financial year 1 July 2018

The Trust has applied AASB 9 with an initial application date of 1 July 2018. The Trust has not restated the comparative information, which continues to be reported under AASB 139.

The nature and effect of the changes as a result of adoption of AASB 9 are described as follows:

In summary, upon the adoption of AASB 9, the Trust had the following required or elected reclassification as at 1 July 2018. Financial Instruments as at 30 June 2018:

Trade and other receivables

AASB 139 Measurement: Loans and Receivables

AASB 9 Classification: Amortised cost

Change in carrying amount as at 30 June 2018 under AASB 139 and carrying amount as at 1 July 2018 under AASB 9: None

Financial assets – equity instruments

AASB 139 Measurement: available for sale financial assets

AASB 9 Classification: fair value through other comprehensive income - equity instrument (FVOCI - equity)

Differences arising from the adoption of AASB 9 are recognised directly in accumulated surplus and other components of equity.

Trade and other payables

AASB 139 Measurement: Amortised cost

AASB 9 Classification: Amortised cost

Change in carrying amount as at 30 June 2018 under AASB 139 and carrying amount as at 1 July 2018 under AASB 9: None

Impact on accumulated surplus and changes in classification due to transition to AASB 9

Upon adoption of AASB 9 the Trust has found that there was no change in accounting and there has been no impact on accumulated surplus.

Impairment

Upon adoption of AASB 9 the Trust has found that there was no change in accounting for impairment losses for the financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss approach.

The Freemasons Public Charitable Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2019

2	Cash and Cash Equivalents		
		2019	2018
		\$	\$
	Cash at bank	98,962	170,319
3	Trade and Other Receivables		
	CURRENT		
	Trade receivables	650	1,994
	GST receivable	14,100	12,484
	Accrued investment income	229,391	378,945
	Franking credit receivables	263,457	112,335
		<u>507,598</u>	<u>505,758</u>
4	Other Assets		
	CURRENT		
	Prepayments	4,497	3,921
5	Financial Assets		
	NON-CURRENT		
	Financial assets measured at Level 1 fair value through other comprehensive income	16,923,452	15,741,175
6	Trade and Other Payables		
	CURRENT		
	Trade payables	33,314	8,420
	Sundry payables and accrued expenses	5,421	21,640
		<u>38,735</u>	<u>30,060</u>
7	Cash Flow Information		
	Reconciliation of net result to net cash provided by operating activities:		
	Surplus for the year	234,395	199,499
	Non-cash flows in surplus:		
	- dividends reinvested under the dividend reinvestment plan	(112,407)	(467,497)
	Changes in assets and liabilities:		
	- (increase)/decrease in trade and other receivables	(1,840)	73,356
	- (increase)/decrease in prepayments	(576)	1,818
	- increase/(decrease) in trade and other payables	8,675	6,375
	Cashflows from operations	<u>128,247</u>	<u>(186,449)</u>

The Freemasons Public Charitable Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2019

8 Contingent Liabilities

Freemasons Foundation Victoria Limited as Trustee for The Freemasons Public Charitable Foundation has entered into Funding Agreements with certain grantees. In accordance with the agreements certain conditions are required to be met before the next instalment is paid. The funding commitments pursuant to these agreements are as follows:

	2019	2018
	\$	\$
within 12 months	566,000	300,000
1-5 years	768,000	900,000
	<u>1,334,000</u>	<u>1,200,000</u>

9 Financial Risk Management

The Trust's financial instruments consist mainly of deposits with banks, financial assets measured at fair value through other comprehensive income, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are disclosed in the statement of financial position and in the notes to the financial statements.

The Directors of Freemasons Foundation Victoria Limited have overall responsibility for the establishment of The Freemasons Public Charitable Foundation's financial risk management framework including investment policy. The directors monitor the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Directors. The primary goal of the Trust's investment strategy is to maximise investment returns whilst preserving capital and management is assisted by external advisers in this regard. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and The Freemasons Public Charitable Foundation's activities.

10 Reserves

(a) Original endowment

Original endowment relates to the original endowment on inception of the Trust.

(b) Capital account

Capital account relates to donations received since inception of the Trust.

(c) Capital preservation reserve

Capital preservation reserve relates to amounts transferred from accumulated income to compensate for the effect of inflation on the capital account.

(d) Financial asset revaluation reserve

Asset revaluation reserve relates to the fair value adjustments of financial assets measured at fair value through comprehensive income.

(e) Finance asset realisation reserve

Finance asset realisation reserve relates to the accumulated realised gains/losses of financial assets measured at fair value through comprehensive income.

The Freemasons Public Charitable Foundation

Notes to the Financial Statements

For the Year Ended 30 June 2019

11 Related Parties

The directors of Freemasons Foundation Victoria Limited have significant influence to participate in the financial and operating policy decisions of The Freemasons Public Charitable Foundation. The key management personnel compensation was \$Nil for the year ended 30 June 2019 (2018: Nil). All management of the Trust is by directors of Freemasons Foundation Victoria Limited as Trustee Company. No director has received any remuneration during the year.

12 Statutory Information

The registered office of and principal place of business of the Trust is:

The Freemasons Public Charitable Foundation
45 Moubay Street
Melbourne

The Freemasons Public Charitable Foundation

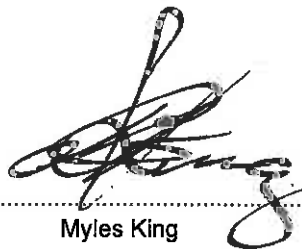
Responsible Persons' Declaration

The Directors of Freemasons Foundation Victoria Limited acting in the capacity as Trustee Company of The Freemasons Public Charitable Foundation are responsible persons and declare that in the responsible persons' opinion:

1. The financial statements and notes, as set out on pages 4 to 15, are in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* including:
 - (a) giving a true and fair view in all material respects of the financial position of The Freemasons Public Charitable Foundation as at 30 June 2019 and of the performance for the year ended on that date, and
 - (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profit Commission Regulations 2013*; and
2. There are reasonable grounds to believe that the Trust is able to pay all of its debts, as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Chairman:



Myles King

Dated 21 October 2019

Independent Audit Report to the members of The Freemasons Public Charitable Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Freemasons Public Charitable Foundation (the Trust), which comprises the statement of financial position as at 30 June 2019, the statement of 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 responsible persons' declaration.

In our opinion, the financial report of The Freemasons Public Charitable Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Trust's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 Trust in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and 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

The Directors are responsible for the other information. The other information comprises the directors' report, 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 on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of Responsible Persons

The Directors of the Trustee Company of The Freemasons Public Charitable Foundation are responsible persons are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as directors determine 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, directors are responsible for assessing the the Trust'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 directors either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Trust'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 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 the 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Trust'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 Trust 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 our audit.



ACCRU MELBOURNE (AUDIT) PTY LTD


G D WINNETT
Director

21 October 2019