



The Freemasons Charity

Performance Report

For the year ended 30 June 2016

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The Freemasons Charity
Entity Information
For the year ended 30 June 2016

Legal Name of Entity: The Freemasons Charity

Type of Entity and Legal Basis (if any): The Freemasons Charity is a registered charity under the Charities Act 2008.

Registration Number with DIA Charities: CC46016

The Freemasons Charity's Purpose / Mission

Mission Statement

To promote and co-ordinate Freemasons' benevolence in New Zealand.

Entity Structure

The Freemasons Charity ("the Charity") is focused on supporting individuals in need and community projects in association with our lodges activities in New Zealand. It is also a registered charity.

The Charity is managed by the Board of General Purpose comprising eight members and a Chief Executive. The controlling entity is the **Grand Lodge** of Antient Free & Accepted Masons of New Zealand whose Trustees are listed below:

- John Michael Pope
- Leslie Arthur Green
- Michael Ferguson Scott
- Selwyn James Cooper
- David William Mace

The Board of General Purpose meets on a bi-monthly basis.

Main Sources of the Entity's Cash and Resources

The Freemason Charity's primary source of funding is through receipt of investment income.

Additional sources of funding include:

- Donations from members



The Freemasons Charity
Statement of Service Performance
For the year ended 30 June 2016

Description of the Entity's Outcomes

What we aim to achieve	As in our Mission Statement, To promote and coordinate Freemasons' benevolence in New Zealand. As the charitable arm of Freemasons New Zealand we seek to support those in need throughout the New Zealand community. We also encourage our local lodges to get involved in their local communities with local projects that enhance the community for others.
What we achieved	The Freemasons Charity, working in its tradition of caring has partnered effectively with a number of local lodges in local projects benefiting the community, and supported those in need within the organisation and in the wider community.
Additional Information	The Freemasons Charity ,for a number of years has been firmly committed to education and scientific research.

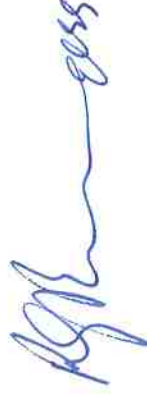
	2015	2016
Grants Individuals	47	59
Lodge Projects	81	68
Special Projects	10	8
Scholarships	28	28
TOTAL	166	163

Signed for and on behalf of the Grand Lodge of Antient, Free and Accepted Masons of New Zealand who approve these financial statements for issue.



President, Board of General Purposes

Date: 20 October 2016



Grand Treasurer

Date: 20 October 2016



The Freemasons Charity
Statement of Financial Performance
For the year ended 30 June 2016

	Notes	2016	2015
		\$	\$
Revenue	1		
Revenue from members		90,510	83,323
Interest, dividends and other investment revenue		840,044	3,825,562
Other Revenue		-	186,676
Total Revenue		930,554	4,095,561
Expenses	2		
Grants and donations		992,529	913,624
Other expenses		349,775	222,738
Total Expenses		1,342,304	1,136,362
Surplus/(Deficit) for the year		(411,750)	2,959,199

This financial statement should be read in conjunction with the accompanying notes.



The Freemasons Charity
Statement of Financial Position
As at 30 June 2016

	Notes	2016 \$	2015 \$
Assets			
Current Assets	3		
Bank and Cash		161,826	223,878
Investments		15,799,806	18,386,656
Total Current Assets		<u>15,961,632</u>	<u>18,610,534</u>
Non-Current Assets			
Investments	3	16,511,174	14,323,493
Total Non-Current Assets		<u>16,511,174</u>	<u>14,323,493</u>
Total Assets		<u>32,472,806</u>	<u>32,934,026</u>
Current Liabilities			
Creditors and accruals	3	(61,409)	(110,880)
Total Current Liabilities		<u>(61,409)</u>	<u>(110,880)</u>
Total Liabilities		<u>(61,409)</u>	<u>(110,880)</u>
Net Assets		<u>32,411,397</u>	<u>32,823,146</u>
Accumulated Funds	4		
Accumulated surplus		32,411,397	32,823,146
Total Accumulated Funds		<u>32,411,397</u>	<u>32,823,146</u>

This financial statement should be read in conjunction with the accompanying notes.



The Freemasons Charity
Statement of Cash Flows
For the year ended 30 June 2016

	2016	2015
	\$	\$
Cash Flows from Operating Activities		
Cash was received from		
Receipts from members	89,301	83,323
Interest, dividends and other investment receipts	453,755	580,109
Other Revenue	-	186,676
Cash was applied to:		
Payments to suppliers	(293,069)	(205,422)
Scholarships or grants paid	(962,039)	(913,624)
	(712,052)	(268,938)
Net Cash Flows from Operating Activities		
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Disposal of investments	650,000	-
Cash was applied to:		
Acquisition of investments	-	-
	650,000	-
Net Cash Flows from Investing and Financing Activities		
Net Increase / (Decrease) in Cash	(62,052)	(268,938)
Opening Cash	223,878	492,816
Closing Cash	161,826	223,878
This is represented by:		
Bank & Cash	161,826	223,878

This financial statement should be read in conjunction with the accompanying notes.



The Freemasons Charity
Statement of Accounting Policies
For the Year ended 30 June 2016

Reporting Entity

The Freemasons Charity (also known as 'The Fund of Benevolence of the Grand Lodge of Antient Free and Accepted Masons of New Zealand') is a Trust established by the Book of Constitution 2010 and registered on 30 June 2008.

Basis of Preparation

The Trust has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000 for the last two annual reporting periods. This is the first year of its adoption in light of the requirements of the Charities Act 2005. It previously followed NZ GAAP and the comparative numbers have not been restated, as there were no adjustments arising out of the transition. Changes arising are therefore limited to disclosure matters. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Trust will continue to operate as a going concern in the foreseeable future. All amounts are in NZD and rounded to the nearest dollar.

Revenue

Revenue is accounted for as follows:

Donations from members

Donations from members are accounted for depending on whether they have been provided with a "use or return" condition attached or not. Where no use or return conditions are attached to the donation, revenue is recorded as income when the cash is received. Where donations include a use or return condition, the donation is initially recorded as a liability on receipt. The donation is subsequently recognised within the Statement of Financial Performance as the performance conditions are met.

Interest and dividend income

Interest income is recognised on an accruals basis.

Dividend income is recognised when the dividend is declared.

Other Revenue

All other revenue is accounted for on an accruals basis and accounted for in accordance with the substance of the transaction.

Grants and Donation expense

Grants and scholarships paid are recognised in the period to which they relate.

Donations are recognised on a cash basis when paid.

Income Tax

The Charity is registered under the Charities Act 2005 and accordingly is not subject to income tax.



The Freemasons Charity
Statement of Accounting Policies
For the Year ended 30 June 2016

Bank Accounts and Cash

Bank and Cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Goods and Services Tax (GST)

The Charity is not registered for GST.

Tier 2 PBE Accounting Standards Applied

The Trust has elected to adopt NFP PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. Under the Standard financial assets (bonds, investments and shares) are classified as either fair value through surplus or deficit, loans and receivables, held to maturing or available for sale financial assets.

Financial Assets and Fair Value through Surplus or deficit

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the financial instrument.

The Trust derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Trust has transferred substantially all the risks and rewards of the asset;
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

The Trust has elected to adopt NFP PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. Under the Standard financial assets (bonds, investments and shares) are classified as either fair value through surplus or deficit, loans and receivables, held to maturing or available for sale financial assets.

The categorisation determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in the statement of financial performance. The financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The financial assets include: cash and cash equivalents and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

The Freemasons Charity
Statement of Accounting Policies
For the Year ended 30 June 2016

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any allowance for impairment.

Impairment of Financial assets

The Trust assesses, at the end of reporting date, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and the loss event has an impact on the estimated future cash flows of the financial asset.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Financial Liabilities

The Trust's financial liabilities include trade and other creditors. All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit). Financial liabilities are not interest bearing and are stated at their amortised cost.

Changes in Accounting Policies

There have been no changes in accounting policies during the annual reporting period (last year - nil) other than those noted above.

The Freemasons Charity
Notes to the Performance Report
For the Year ended 30 June 2016

Note 1 - Analysis of Revenue

	2016	2015
	\$	\$
Revenue from members		
Donations (from members)	90,510	83,323
Total	90,510	83,323
Interest, dividends and other investment revenue		
Mortgage interest from individuals	22,412	31,626
Mortgage interest from Freemason House	444,125	471,750
Interest/Dividends from JB Were	870,070	896,639
Interest from Heartland Bank	9,395	14,713
Unrealised gain/(loss) on investments	(505,958)	2,410,834
Total	840,044	3,825,562
Other Revenue		
Funds from Estates	-	186,676
Total	-	186,676

Note 2 – Analysis of Expenses

	2016	2015
	\$	\$
Grants and donations		
Grants Paid	451,239	451,742
Gifts	10,033	-
Scholarships	243,558	240,185
Auckland University	105,000	65,000
Otago University	182,699	156,697
Total	992,529	913,624
Other Expenses		
Administration	272,551	165,649
Audit fees	11,000	11,500
Non audit fees	10,898	-
Training and Seminars	10,000	6,900
Meetings	24,895	22,867
Publicity	20,431	15,822
Total	349,775	222,738



The Freemasons Charity
Notes to the Performance Report
For the Year ended 30 June 2016

Note 3 - Analysis of Assets and Liabilities

Assets	2016	2015
	\$	\$
Cash & Deposits		
ANZ cheque account	40,921	75,105
Heartland Bank – Freemason Charity	113,560	141,661
Heartland Bank –Chair Gerontology	5,858	5,672
Heartland Bank – Paediatrics Capital Fund	1,487	1,440
Total	161,826	223,878
Current Investments		
Managed funds – JB Were	15,799,806	18,386,655
Total	15,799,806	18,386,655
Non-Current Investments		
Mortgages to individuals	391,174	368,762
Mortgage – Freemason House	5,775,000	8,500,000
Building Loans	2,721,255	-
Managed funds – JB Were	7,623,745	5,454,731
Total	16,511,174	14,323,493
Liabilities		
Creditors and accruals		
Trade Creditors	19,497	44,862
Accruals	20,199	65,623
Freemasons NZ creditor	21,713	395
Total	61,409	110,880



The Freemasons Charity
Notes to the Performance Report
For the Year ended 30 June 2016

Note 4 - Accumulated Funds

30 June 2016

	The Freemason Charity		Chair of		Total
	General Fund	Gerontology Fund	Gerontology Fund	Paediatric Fund	
Opening Balance	\$ 29,437,872	\$ 999,424	\$ 999,424	\$ 2,385,850	\$ 32,823,146
Surplus/(Deficit)	(370,575)	(12,353)	(12,353)	(28,822)	(411,750)
Total	29,067,297	987,071	987,071	2,357,028	32,411,397

30 June 2015

	The Freemason Charity		Chair of		Total
	General Fund	Gerontology Fund	Gerontology Fund	Paediatric Fund	
Opening Balance	\$ 26,877,553	\$ 895,918	\$ 895,918	\$ 2,090,476	\$ 29,863,948
Surplus/(Deficit)	2,663,279	88,776	88,776	207,144	2,959,199
Total	29,540,832	984,694	984,694	2,297,620	32,823,146

Breakdown of Reserves

Name	Nature and Purpose	2016	2015
The Freemasons Charity General Fund	Accumulated surplus to allow the Charity to continue its activities	\$ 29,067,297	\$ 29,540,832
Chair of Gerontology Fund	Supports research for the science of aging	987,071	984,694
Paediatric Fund	Provides fellowships for post graduates in paediatrics research	2,357,028	2,297,620
		32,411,397	32,823,146



The Freemasons Charity
Notes to the Performance Report
For the Year ended 30 June 2016

Note 5 - Commitments and contingencies

There were no commitments or contingencies as at 30 June 2016 (2015: \$Nil).

Note 6 - Categories of financial assets and liabilities

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	2016	2015
	\$	\$
Financial assets		
<i>Financial assets at fair value through surplus or deficit</i>		
Investments	23,423,551	23,841,386
<i>Loans and receivables</i>		
Cash and cash equivalents	161,826	223,878
Mortgages	391,174	368,762
Building Fund Loans	2,725,000	-
Internal loans	5,775,000	8,500,000
	<u>9,053,000</u>	<u>9,092,640</u>
Financial liabilities		
<i>At amortised cost</i>		
Trade and other creditors	(54,150)	(110,880)
	<u>(54,150)</u>	<u>(110,880)</u>



The Freemasons Charity
Notes to the Performance Report
For the Year ended 30 June 2016

Note 7 - Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	2016		2015		2016		2015	
		\$	Value of Transactions	\$	Value of Transactions	\$	Amount Outstanding	\$	Amount Outstanding
Freemason House – common control	Mortgage Interest Paid	444,125	471,750	-	-	-	-	-	-
	Mortgage loan held	5,775,000	8,500,000	5,775,000	8,500,000	-	-	-	-
Freemasons New Zealand – common control	Accounts Payable – invoices paid on behalf of the Charity	21,713	395	21,713	395	21,713	21,713	395	395
	Administration fee for support services	166,000	160,000	-	-	-	-	-	-
	Transfer of building loans	2,725,000	-	-	-	2,725,000	2,725,000	-	-

Note 8 - Events After the Reporting Date

There were no events that have occurred after the reporting date that would have a material impact on the Performance Report. (2015: \$Nil)



Independent Auditor's Report

Audit

**Grant Thornton New Zealand Audit
Partnership**

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To the Members of The Freemasons Charity

We have audited the accompanying performance report on pages 3 to 15 of The Freemasons Charity which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2016, and the statement of financial position as at 30 June 2016, and statement of accounting policies and other explanatory information.

The responsibility of the Trustees for the performance report

The Trustees are responsible on behalf of the entity for:

- a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report
- c) for such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the performance report based on our audit. We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the performance report is free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance report, including performing procedures to obtain evidence about evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the performance report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of performance report 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the performance report.

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

Opinion

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
 - b) the performance report on pages 3 to 15 presents fairly, in all material respects:
 - the entity information for the year then ended;
 - the service performance for the year then ended; and
 - the financial position of The Freemasons Charity as at 30 June 2016, and its financial performance, and cash flows, for the year then ended
- in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Restriction on use of our report

This report is made solely to the Members of The Freemasons Charity as a collective body. Our audit work has been undertaken so that we might state to the Members as a collective body, those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Freemasons Charity and the Members as a collective body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
20 October 2016