



Freemasons New Zealand

Financial Accounts

For year ended 30 June 2017

Statement of Financial Performance
For the year ended 30 June 2017


| | 2017 | 2016 |
|---|------------------|------------------|
| Note | \$ | \$ |
| INCOME | | |
| Brokerage Commission Received | 237,197 | 286,086 |
| Capitation Fees | 509,293 | 513,865 |
| Interest Received | 195,457 | 398,559 |
| Other Income | 243,573 | 277,985 |
| Rental Revenue | 790,278 | 824,682 |
| | 1,975,798 | 2,301,177 |
| EXPENDITURE | | |
| Audit Fees | 10,800 | 23,478 |
| Other Administrative Expenses | 1,105,208 | 1,105,398 |
| Other Building Expenses | 523,418 | 715,722 |
| Mortgage Interest | 244,287 | 444,125 |
| Grants | - | 16,812 |
| | 1,883,713 | 2,305,535 |
| Operating surplus/(deficit) before tax | 92,085 | (4,358) |
| Taxation | 38,812 | (16,869) |
| Operating Surplus/(deficit) after tax | 130,897 | (21,227) |
| Unrealised Gain/(loss) on Freemason House | - | (50,000) |
| Unrealised Gains/(Losses) | - | (50,000) |
| Surplus/(Deficit) for the year | 130,897 | (71,227) |


The Surplus/(Deficit) has been allocated to the various reserves as follows:

| | | |
|----------------------|----------------|-----------------|
| General Fund | (17,879) | 55,137 |
| Freemason House | (64,979) | (468,225) |
| Building Fund | 119,440 | 303,601 |
| Communication Fund | 26,162 | 6,514 |
| Special Reserve Fund | 68,153 | 31,746 |
| | 130,897 | (71,227) |

These special purpose financial statements should be read in conjunction with the accompanying notes.

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


Date 14th November 2017
Title President of the Board
of General Purposes


Date 9 November 2017
Title Grand Treasurer



Statement of Financial Position

As at 30 June 2017

| | | 2017 | 2016 |
|--------------------------------------|-------------|-------------------|-------------------|
| | <i>Note</i> | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash on Hand | | 200 | 200 |
| Bank Accounts | 2 | 5,859,101 | 5,304,603 |
| Accounts Receivable | 3 | 65,806 | 158,445 |
| Taxation Receivable | 5 | 40,964 | 98,844 |
| Building Fund Loans | 10 | 322,206 | 333,806 |
| Stock on Hand | | 42,347 | 63,635 |
| Investment Property | 7 | 6,050,000 | 6,050,000 |
| Total current assets | | 12,380,624 | 12,009,533 |
| NON CURRENT ASSETS | | | |
| Investments | 10 | 891,748 | 891,748 |
| Plant & Equipment | 6 | 255,061 | 314,853 |
| Accounts Receivable | 3 | - | 12,000 |
| Building Fund Loans | 10 | 1,272,561 | 1,306,808 |
| Total non current assets | | 2,419,370 | 2,525,409 |
| TOTAL ASSETS | | 14,799,994 | 14,534,942 |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 4 | 140,860 | 63,072 |
| Deferred Income | | 45,776 | - |
| Employee Entitlements | | 75,844 | 65,253 |
| Total current liabilities | | 262,480 | 128,325 |
| NON CURRENT LIABILITIES | | | |
| Mortgage to The Freemasons Charity | 10 | 5,775,000 | 5,775,000 |
| Total non current liabilities | | 5,775,000 | 5,775,000 |
| TOTAL LIABILITIES | | 6,037,480 | 5,903,325 |
| NET ASSETS | | 8,762,514 | 8,631,617 |
| ACCUMULATED FUNDS | | | |
| Accumulated funds and reserves | | 8,762,514 | 8,631,617 |
| TOTAL ACCUMULATED FUNDS | | 8,762,514 | 8,631,617 |



Freemasons New Zealand

Notes to and Forming Part of the Special Purpose Financial Statements

For the year ended 30 June 2017

1 Statement of Accounting Policies

Reporting Entity

Freemasons New Zealand includes the operations of Freemason House. Freemasons New Zealand are governed by the Grand Lodge of Freemasons of New Zealand Trustees Act 1903 as unincorporated societies. The purpose of Freemasons New Zealand is to provide support to their lodges throughout New Zealand while Freemason House is responsible for the upkeep and general operations of the property. All amounts stated are in New Zealand dollars.

Basis of preparation

These special purpose financial statements have been prepared by the Board in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

Accounting Principles

These special purpose financial statements have been prepared in accordance with the accounting policies set out below.

Measurement Base

The special purpose financial statements have been prepared on a historic cost basis, as modified by the revaluation of certain assets as identified in specific accounting policies below.

The following specific accounting policies that materially affect the measurement of reporting of financial performance and financial position have been applied:

(a) Revenue Recognition

- i) *Rental Income*: Lease receipts under an operating Lease are recognised as revenue on a straight line basis over the Lease term.
- ii) *Brokerage Commission*: 0.4% per annum is paid by Heartland Bank for total deposits held in the Freemasons Deposit Scheme. This is received monthly and recorded on a cash basis.
- iii) *Capitation Fees*: Fees are invoiced to the individual lodges on a quarterly basis and recognised as revenue at this point.
- iv) *Interest Received*: Interest is recognised on an accruals basis in the year to which it relates.
- v) *Other Income: Revenue* is reported on an accruals basis.

(b) *Expenditure* - Expenditure is recognised on an accrual basis in the year to which it relates.

(c) *Depreciation* - Assets have been depreciated on a straight-line basis at the following rates:

| | |
|--------------------------------------|-------------|
| Office Equipment | 18 - 36% pa |
| Furniture & Fittings | 10 - 20% pa |
| Library & Museum | 2% pa |
| Freemason House Furniture & Fittings | 8 - 33%pa |

(d) *Income Tax* - Both entities are subject to taxation on revenue earned from external sources.

Transactions arising during the year are allocated between the two activities in order to determine the current tax liability.

(e) *Unrealised gain / (loss) on revaluation* - Freemasons House is held as an investment property and revalued each year.

The gain / (loss) on revaluation is recorded in the statement of financial performance.

(f) *Bank Accounts and Cash* - Bank and Cash amounts are recognised at fair value at reporting date.

(g) *Receivables* - Receivables are valued at the amount expected to be realised after allowing for doubtful debts.

An invoice is recorded as a receivable when it is raised. Loans to lodges are recorded at cost when the funds are transferred.

(h) *Building fund loans* - These are amounts advanced to the lodges under a signed agreement and are recognised

when the funds are transferred to the lodge. Subsequent movements are for interest accrued on the loans and payments received from the lodges.



Freemasons New Zealand

Notes to and Forming Part of the Special Purpose Financial Statements For the year ended 30 June 2017

(i) **Inventory** - Inventories are stated at lower of cost and net realisable value.

(j) **Investment Property**

Freemason House is held as an investment property and revalued on an intermittent basis not exceeding 5 years as per the SPFR for FPEs framework. A revaluation takes place if necessary to ensure the carrying amount is not materially different from fair value as at balance date. The investment property is held at its fair value and not depreciated. The last valuation was done for the reporting period 30 June 2016.

(k) **Investment**

Shares held in Auckland Masonic Centre Ltd, Dunedin Masonic Hall Company Ltd and Nelson Masonic Hall Company Ltd are shown at cost.

(l) **Plant & Equipment** - Office Equipment, Furniture & Fittings and Library & Museum are shown at cost less accumulated depreciation, Regalia & Jewels are shown at cost with no depreciation (Note 6.)

(m) **Goods and Services Tax** - These special purpose financial statements have been prepared on a GST - exclusive basis except Accounts Receivable and Payables which are stated inclusive of GST.

(n) **Employee Entitlements**

Employee entitlements are expenses expected to be settled with 12 months of the reporting date and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to the reporting date and annual leave earned but not yet taken at each reporting date.

(o) **Mortgage**

A mortgage was granted by The Freemasons Charity to buy the Freemason House building. This was recorded at the amount received in the bank. Subsequent movements are in relation to mortgage interest paid to The Freemasons Charity each month and any capital repayment amounts off the mortgage.

Changes in Accounting Policies

There have been no changes in accounting policies during the annual reporting period (2016: Freemason New Zealand transitioned old NZGAAP to Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs) in accordance with the New Zealand Institute of Chartered Accountants (NZICA)



Notes to and Forming Part of the Special Purpose Financial Statements
For the year ended 30 June 2017

2 Bank Accounts

| | 2017 \$ | 2016 \$ |
|---------------------------------|------------|------------|
| <i>ANZ Bank</i> | | |
| Current Account | 81,441 | 128,387 |
| Freemason House Current Account | 90,430 | 3,206 |
| <i>Heartland</i> | | |
| General/Current Account | 712,212 | 413,694 |
| Building Fund | 3,187,157 | 3,040,083 |
| Communication Fund | 114,695 | 111,913 |
| Special Reserve Fund | 1,673,166 | 1,607,320 |
| | 5,859,101 | 5,304,603 |

3 Receivables

| | 2017 \$ | 2016 \$ |
|----------------------------------|------------|------------|
| <i>Current Receivables</i> | | |
| Receivables from Lodges | 31,231 | 52,209 |
| Receivables Freemason House | 6,210 | 29,318 |
| Receivables GST | 5,508 | 10,166 |
| Contra Accounts | 8,137 | 27,858 |
| Interest Accrued (Building Fund) | | 13,119 |
| Loan to Lodges | - | 2,000 |
| Prepayments - Freemason House | 14,720 | 23,775 |
| | 65,806 | 158,445 |
| <i>Non Current Receivables</i> | | |
| Loans to Lodges | - | 12,000 |

4 Payables

| | 2017 \$ | 2016 \$ |
|------------------------------------|------------|------------|
| Accounts Payable - General | 109,989 | 41,541 |
| Contra Accounts | - | |
| Inland Revenue | | - |
| Accounts Payable - Freemason House | 25,467 | 16,127 |
| Tenants Rent Paid in Advance | 5,404 | 5,404 |
| | 140,860 | 63,072 |



5 Taxation

| | 2017 | 2016 |
|--|-----------|-----------|
| | \$ | \$ |
| Tax Expense | | |
| Net Surplus Before Tax | 96,085 | (109,673) |
| Non Assessable Income & Other Deductions | (820,217) | (975,657) |
| Non Deductable Expenses | 758,109 | 876,655 |
| | \$ 33,977 | (208,675) |
| Tax Payable at Individual Rates Based on Annualised Income | - | - |
| Prior year adjust - understated tax liability | 2,152 | 16,869 |
| Tax Liability | | |
| Opening Balance | (98,844) | (60,398) |
| Plus Current Year Tax Expense | - | - |
| Prior year adjust - understated tax liability | 2,152 | 16,869 |
| Less Tax Refunds Received / (Paid) | 96,692 | - |
| Interest Paid | - | 95 |
| IRD UOMI | - | (95) |
| Tax paid during the year | (40,964) | (55,315) |
| Closing Balance | (40,964) | (98,844) |

Freemason New Zealand has tax losses of \$173,698 to carry forward to next year subject to confirmation by the Commissioner of Inland Revenue (2016: \$207,675).



Freemasons New Zealand

Notes to and Forming Part of the Special Purpose Financial Statements
For the year ended 30 June 2017

6 Property, Plant and Equipment

| | Cost 30/06/2016 | Accumulated Depreciation 30/06/2016 | Opening Book value 30/06/2016 | Additions/ (Disposals) | Loss/(Gain) on Disposal | Depreciation | Cost 30/06/2017 | Accumulated Depreciation 30/06/2017 | Closing Book Value 30/06/2017 |
|-------------------------|--------------------|---|-------------------------------------|---------------------------|----------------------------|--------------|--------------------|---|-------------------------------------|
| Office: | | | | | | | | | |
| Office Equipment | 124,360 | 119,752 | 4,608 | - | - | 689 | 124,360 | 120,441 | 3,919 |
| Furniture & Fittings | 199,148 | 190,799 | 8,349 | - | - | 3,398 | 199,148 | 194,197 | 4,951 |
| Trade Mark | 5,010 | - | 5,010 | - | - | - | 5,010 | - | 5,010 |
| Regalia & Jewels | 118,935 | - | 118,935 | - | - | - | 118,935 | - | 118,935 |
| Library & Museum | 42,138 | 13,987 | 28,151 | - | - | 3,847 | 42,138 | 17,834 | 24,304 |
| | 489,591 | 324,538 | 165,053 | - | - | 7,934 | 489,591 | 332,472 | 157,119 |
| Freemason House: | | | | | | | | | |
| Furniture & Fittings | 484,697 | 429,459 | 55,238 | - | - | 26,249 | 484,697 | 455,708 | 28,989 |
| Plant | 174,348 | 79,786 | 94,562 | - | - | 25,609 | 174,348 | 105,395 | 68,953 |
| | 659,045 | 509,245 | 149,800 | - | - | 51,858 | 659,045 | 561,103 | 97,942 |
| | 833,783 | 833,783 | 314,856 | - | - | 59,792 | 1,148,636 | 893,575 | 255,061 |

7 Investment Property Revaluation

Freemason House was not revalued in the year (2016: Revalued by Bayley's Valuations Ltd at \$6,050,000).

| | 2017 | 2016 |
|----------------------|------------------|------------------|
| Opening Balance | \$ 6,050,000 | \$ 6,100,000 |
| Revaluation Movement | - | (50,000) |
| Closing Balance | <u>6,050,000</u> | <u>6,050,000</u> |



Freemasons New Zealand

Notes to and Forming Part of the Special Purpose Financial Statements
For the year ended 30 June 2017

8 Operating Lease Commitments

| Photocopier | 2017 | 2016 |
|------------------|---------------|---------------|
| | \$ | \$ |
| Within One Year | 7,080 | 8,174 |
| One - Two Years | 7,080 | 7,080 |
| Two - Five Years | 8,260 | 15,340 |
| | <u>22,420</u> | <u>30,594</u> |

9 Related Party Transactions

| | 2017 | 2016 |
|---|-----------|-----------|
| | \$ | \$ |
| Transactions between Freemason New Zealand and The Freemason Charity | 165,000 | 166,000 |
| | | |
| Balances as at 30 June 2017 between Freemason New Zealand and The Freemason Charity | 5,775,000 | 5,775,000 |
| | 7,154 | 21,897 |
| | | |
| Transactions between Freemason New Zealand and associated Trusts | 18,000 | 18,864 |
| | 10,000 | 10,000 |
| | 10,000 | 4000 |
| | | |
| Balances as at 30 June 2017 between Freemason New Zealand and associated Trusts | 853 | 1,493 |

Freemason New Zealand is a related party of the following entities based upon the governance personnel within each entity being identical.

- The Freemason Charity
- The Potter Masonic Trust
- Lawson-Smith Freemasons Education Trust
- Hugh McDougall Rankin Education Trust



10 Investments, Loans & Mortgages

| | 2017 | 2016 |
|-------------------------------------|-----------|-----------|
| | \$ | \$ |
| Current Assets: | | |
| Building Fund Loans | 322,206 | 333,806 |
| Non Current Assets: | | |
| Building Fund Loans (Non Current) | 1,272,561 | 1,306,808 |
| Investments: | | |
| Shares Masonic Hall Companies | 891,748 | 891,748 |
| Non Current Liabilities: | | |
| Mortgage from The Freemason Charity | 5,775,000 | 5,775,000 |

11 Financial Instruments

| | 2017 | 2016 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Financial Assets | | |
| <i>Loans and receivables</i> | | |
| Cash | 5,859,301 | 5,304,803 |
| Accounts receivable | 65,806 | 158,445 |
| Building Fund loans | 1,594,767 | 1,640,614 |
| Investments | 891,748 | 891,748 |
| | <u>8,411,622</u> | <u>7,995,610</u> |
| Financial Liabilities | | |
| <i>Amortised cost</i> | | |
| Accounts Payable | 140,860 | 63,072 |
| Employee Entitlements | 75,844 | 65,253 |
| | <u>216,704</u> | <u>128,325</u> |



12. Contingent Liabilities and Commitments

There were no contingent liabilities or commitments noted as at 30 June 2017 (2016: \$nil).

13. Subsequent events

The investment property, Freemason House, is due to be sold to a third party in November 2017 for a sum in excess of the last valuation report (2016: \$Nil).



Statement of Movements in Accumulated Funds
For the year ended 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|--|------|--------------------|--------------------|
| ACCUMULATED FUNDS AND RESERVES | | | |
| Balance as at 1 July | | 8,631,617 | 8,699,099 |
| Add: Adjustment to building fund Equity | | - | 3,745 |
| Add: surplus/(Deficit) | | 130,897 | (71,227) |
| Total Recognised Revenue & Expenses | | 130,897 | (71,227) |
| Balance as at 30 June 2017 | | 8,762,514 | 8,631,617 |
| B) ANALYSIS OF INDIVIDUAL FUNDS | | | |
| 1. Board of General Purposes General Fund | | | |
| Balance as at 1 July | | 818,686 | 763,549 |
| Allocation for the year | | (17,879) | 55,137 |
| Balance as at 30 June 2017 | | 800,807 | 818,686 |
| 2. Freemason House | | | |
| Balance as at 1 July | | (2,955,978) | (2,487,753) |
| Allocation for the year | | (64,979) | (468,225) |
| Balance as at 30 June 2017 | | (3,020,957) | (2,955,978) |
| 3. Building Fund | | | |
| Balance as at 1 July | | 8,730,086 | 8,422,740 |
| Allocation for the year | | 119,440 | 303,601 |
| Transfer of Building Fund Loans | | - | 3,745 |
| Balance as at 30 June 2017 | | 8,849,526 | 8,730,086 |
| 4. Communication Fund | | | |
| Balance as at 1 July | | 146,159 | 139,645 |
| Allocation for the year | | 26,162 | 6,514 |
| Balance as at 30 June 2017 | | 172,321 | 146,159 |
| 5. Special Reserve Fund | | | |
| Balance as at 1 July | | 1,892,664 | 1,860,918 |
| Allocation for the year | | 68,153 | 31,746 |
| Balance as at 30 June 2017 | | 1,960,817 | 1,892,664 |

In order to determine the allocation to reserves during the year, transactions relating to the statement of financial performance were allocated to the individual reserves. A breakdown of the allocations is set out as an appendix to these financial statements.



Grand Lodge of Antient Free & Accepted Masons of New Zealand -
Appendix to Financial Statements
For the year ended 30 June 2017

Board of General Purposes - General Fund

Statement of Financial Performance for the year ended 30 June 2017

| | 2017 | 2016 |
|---|----------------|----------------|
| | \$ | \$ |
| REVENUE | | |
| Capitation Fees | 509,293 | 513,865 |
| Other Income | 220,194 | 277,985 |
| Interest Received | 10,699 | 18,102 |
| Total Revenue | 740,186 | 809,952 |
| EXPENSES | | |
| <i>Administration Expenses</i> | | |
| Audit Fees | 5,000 | 17,913 |
| Depreciation | 7,934 | 19,017 |
| Stock movement | 21,287 | - |
| General | 120,281 | 113,875 |
| Insurance | 7,966 | 13,574 |
| Photocopier Lease | 7,080 | 8,142 |
| Board Meetings & Travel | 47,827 | 69,461 |
| Communication Grand Lodge Costs | 13,074 | 39,922 |
| <i>Repairs & Maintenance</i> | | |
| Furniture, Fittings & Equipment | - | 474 |
| Office Machinery | 2,102 | 500 |
| Regalia, Jewels & Service Awards | 18,255 | 9,538 |
| Salaries, Employment Related Expenses including ACC | 507,259 | 462,399 |
| Total Expenses | 758,065 | 754,815 |
| Net surplus/(deficit) for year | 17,879 | 55,137 |

Freemason House

Statement of Financial Performance for the year ended 30 June 2017

| | 2017 | 2016 |
|---|-----------------|------------------|
| | \$ | \$ |
| REVENUE | | |
| Interest Received | 1,707 | 908 |
| Rental Revenue | 790,278 | 824,682 |
| Total Revenue | 791,985 | 825,590 |
| EXPENSES | | |
| Audit Fees | 5,800 | 5,565 |
| Depreciation - Plant, Fittings | 51,858 | 45,754 |
| General | 31,601 | 32,649 |
| Mortgage Interest Payments | 244,287 | 444,125 |
| Other Building Expenses | 523,418 | 715,722 |
| Total Expenses | 856,964 | 1,243,815 |
| Operating surplus/(deficit) for year | (64,979) | (418,225) |
| Unrealised Gain (Loss) on Investment Property | - | (50,000) |
| Surplus/(deficit) for year | (64,979) | (468,225) |



Grand Lodge of Antient Free & Accepted Masons of New Zealand -
Appendix to Financial Statements

Building Fund

Statement of Financial Performance for the year ended 30 June 2017

| | 2017 | 2016 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| REVENUE | | |
| Interest Received | 123,914 | 304,319 |
| Total Revenue | 123,914 | 304,319 |
| EXPENSES | | |
| Building Fund costs | 4,474 | 718 |
| Taxation | - | - |
| | 4,474 | 718 |
| Net surplus/(deficit) for year | 119,440 | 303,601 |

Communication Fund

Statement of Financial Performance for the year ended 30 June 2017

| | 2017 | 2016 |
|---------------------------------------|---------------|--------------|
| | \$ | \$ |
| REVENUE | | |
| Interest Received | 2,783 | 6,514 |
| Sponsorship | 23,379 | - |
| Total Revenue | 26,162 | 6,514 |
| EXPENSES | | |
| 2017 Communication | - | - |
| Net surplus/(deficit) for year | 26,162 | 6,514 |

Special Reserve Fund

Statement of Financial Performance for the year ended 30 June 2017

| | 2017 | 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| REVENUE | | |
| Brokerage Commission Received - Heartland Bank | 237,197 | 286,086 |
| Interest Received | 56,354 | 68,716 |
| Other Income | - | - |
| Total Revenue | 293,551 | 354,802 |
| EXPENSES | | |
| New Zealand Freemason Magazine | 52,071 | 57,456 |
| Publicity & Public Relations | 55,727 | 89,185 |
| Renewal & Development | 121,869 | 142,734 |
| SRF and building fund tax | 34,543 | - |
| | 264,210 | 289,375 |
| <i>Grants - Research Lodges</i> | - | 16,812 |
| | - | 16,812 |
| Taxation | (38,812) | 16,869 |
| Total Expenses | 225,398 | 323,056 |
| Net surplus/(deficit) for year | 68,153 | 31,746 |



Independent Assurance Practitioner's Review Report

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To the Board of Freemason New Zealand

Report on the Special Purpose Financial Statements

We have reviewed the accompanying special purpose financial statements of Freemason New Zealand ("the Company") which comprise the special purpose statement of financial position as at 30 June 2017, and the special purpose statement of profit or loss and special purpose statement of changes in equity for the 12 months ended on that date, and a summary of significant accounting policies and other explanatory information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these special purpose financial statements do not present fairly, in all material respects, the financial position of Freemason New Zealand as at 30 June 2017 and its financial performance for the 12 months ended on that date in accordance with the Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs).

Board's Responsibilities

The Board of Freemason New Zealand are responsible for the preparation and fair presentation of these special purpose financial statements, in accordance with the accounting policies determining the acceptability of the basis of accounting, and for such internal control as the Board determine is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying special purpose financial statements. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) ISRE (NZ) 2400, *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the special purpose financial statements, taken as a whole, are not prepared in all material respects in accordance with the accounting policies. This standard also requires us

to comply with the ethical requirements relevant to the review of the special purpose financial statements.

A review of special purpose financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on these special purpose financial statements.

The firm has no interest in Freemason New Zealand.

Restriction on use of our report

This report on the special purpose financial statements is made solely to the shareholders. Our limited assurance work has been undertaken so that we might state to the shareholders, those matters which we are required to state to them in an independent assurance practitioner's review 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 Company and the shareholders for our review work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Partnership



B Kennerley
Partner
Wellington
11 November 2017