



**The Freemasons Charity**

**Performance Report**

For the year ended 30 June 2017

---

## Contents

Entity Information	3
Statement of Service Performance	4
Statement of Financial Performance	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8
Notes to the Performance Report	11



---

## The Freemasons Charity

### Entity Information

For the year ended 30 June 2017

<b>Legal Name of Entity:</b>	The Freemasons Charity
<b>Type of Entity and Legal Basis (if any):</b>	The Freemasons Charity is a registered charity under the Charities Act 2005.
<b>Registration Number with DIA Charities:</b>	CC46016

### The Freemasons Charity's Purpose / Mission

#### *Mission Statement*

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

### Entity Structure

The Freemasons Charity is managed by a management Committee comprising 4 members reporting to the Board of General Purposes. 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
- John West Litton

The Board of General Purpose meets on regular three 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



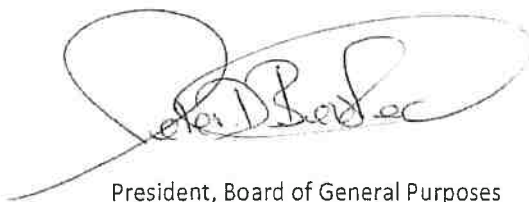
**The Freemasons Charity**  
**Statement of Service Performance**  
**For the year ended 30 June 2017**

**Description of the Entity's Outcomes**

<b>What we aim to achieve</b>	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 members, usually through their local Lodges to get involved in their local communities with local projects that enhance the community for others.
<b>What we achieved</b>	The Freemasons Charity, has partnered effectively with a number of local Lodges in local organisations and Lodges in local projects benefiting the community, and supported those in need.
<b>Additional Information</b>	The Freemasons Charity, for a number of years has been firmly committed to education and scientific research.

	<b>2017</b>	<b>2016</b>
Grants Individuals	50	59
Lodge Projects	58	68
Special Projects	4	8
Scholarships	29	28
<b>TOTAL</b>	<b>141</b>	<b>163</b>

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: 14th November 2017



Grand Treasurer

Date: 9 November 2017



**The Freemasons Charity**  
**Statement of Financial Performance**  
**For the year ended 30 June 2017**

	Notes	2017	2016
		\$	\$
<b>Revenue</b>	1		
Revenue from members		64,194	90,510
Interest, dividends and other investment revenue		1,311,010	1,346,002
Unrealised Investment gain / (losses)		1,104,642	(505,958)
Other Revenue		308,950	-
<b>Total Revenue</b>		<b>2,788,796</b>	<b>930,554</b>
<b>Expenses</b>	2		
Grants and donations		883,742	992,529
Other expenses		411,405	349,775
<b>Total Expenses</b>		<b>1,295,147</b>	<b>1,342,304</b>
<b>Surplus / (Deficit) for the year</b>		<b>1,493,649</b>	<b>(411,750)</b>

This performance report should be read in conjunction with the accompanying notes.



**The Freemasons Charity**  
**Statement of Financial Position**  
**As at 30 June 2017**

	Notes	2017	2016
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>	3		
Bank and Cash		165,767	161,826
Managed Funds		16,954,810	15,799,806
<b>Total Current Assets</b>		<b>17,120,577</b>	<b>15,961,632</b>
<b>Non-Current Assets</b>			
Managed Funds	3	16,838,188	16,511,174
<b>Total Non-Current Assets</b>		<b>16,838,188</b>	<b>16,511,174</b>
<b>Total Assets</b>		<b>33,958,765</b>	<b>32,472,806</b>
<b>Current Liabilities</b>			
Creditors and accruals	3	(53,720)	(61,409)
<b>Total Current Liabilities</b>		<b>(53,720)</b>	<b>(61,409)</b>
<b>Total Liabilities</b>		<b>(53,720)</b>	<b>(61,409)</b>
<b>Net Assets</b>		<b>33,905,045</b>	<b>32,411,397</b>
<b>Accumulated Funds</b>	4		
Accumulated Funds		33,905,045	32,411,397
<b>Total Accumulated Funds</b>		<b>33,905,045</b>	<b>32,411,397</b>

This performance report should be read in conjunction with the accompanying notes.



**The Freemasons Charity**  
**Statement of Cash Flows**  
**For the year ended 30 June 2017**

	<b>2017</b>	<b>2016</b>
<b>Cash Flows from Operating Activities</b>	<b>\$</b>	<b>\$</b>
<b>Cash was received from</b>		
Receipts from members	64,194	89,301
Interest, dividends and other investment receipts	681,318	453,755
Other Revenue	308,950	-
<b>Cash was applied to:</b>		
Payments to suppliers	(419,094)	(293,069)
Scholarships or grants paid	(883,743)	(962,039)
<b>Net Cash Flows from Operating Activities</b>	<b>(248,375)</b>	<b>(712,052)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Disposal of investments	550,000	650,000
<b>Cash was applied to:</b>		
Acquisition of investments	(297,684)	-
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>252,316</b>	<b>650,000</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>3,941</b>	<b>(62,052)</b>
<b>Opening Cash</b>	<b>161,826</b>	<b>223,878</b>
<b>Closing Cash</b>	<b>165,767</b>	<b>161,826</b>
<b>This is represented by:</b>		
Bank & Cash	165,767	161,826

This performance report should be read in conjunction with the accompanying notes.



---

**The Freemasons Charity**  
**Statement of Accounting Policies**  
**For the Year ended 30 June 2017**

**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. 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.

**Investment Revenue**

*Interest and dividend revenue*

Interest income is recognised on an accruals basis.  
Dividend income is recognised when the dividend is declared.

*Unrealised investment gain / (loss)*

Unrealised investment gain or investment loss is recognised as at the date of the valuation report received from the external investment broker entity.

*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 2017**

**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 2017**

**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 creditors and accruals. 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 (2016 – the Charity transitioned to become a Tier 3 entity to operate and report in line with PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit)).



**The Freemasons Charity**  
**Notes to the Performance Report**  
**For the Year ended 30 June 2017**

**Note 1 - Analysis of Revenue**

	2017	2016
	\$	\$
<b>Revenue from members</b>		
Donations (from members)	64,194	90,510
<b>Total</b>	<u>64,194</u>	<u>90,510</u>
<b>Interest, dividends and other investment revenue</b>		
Mortgage Interest	396,638	466,537
Interest/Dividends from Managed & Other Funds	912,197	870,070
Bank interest	2,175	9,395
<b>Total</b>	<u>1,311,010</u>	<u>1,346,002</u>
Unrealised gain/(loss) on investments	1,104,642	(505,958)
<b>Total</b>	<u>1,104,642</u>	<u>(505,958)</u>
<b>Other Revenue</b>		
Funds from Estates	5,350	-
Trust Resettlement Funds	303,600	-
<b>Total</b>	<u>308,950</u>	<u>-</u>

**Note 2 – Analysis of Expenses**

	2017	2016
	\$	\$
<b>Grants and donations</b>		
Grants Paid	330,804	451,239
Gifts	78,348	10,033
Scholarships	246,059	243,558
New Zealand Universities	228,531	287,699
<b>Total</b>	<u>883,742</u>	<u>992,529</u>
<b>Other Expenses</b>		
Administration	310,570	272,551
Audit fees	12,000	11,000
Non audit fees	-	10,898
Training and Seminars	8,000	10,000
Meetings	28,733	24,895
Publicity	52,102	20,431
<b>Total</b>	<u>411,405</u>	<u>349,775</u>



**The Freemasons Charity**  
**Notes to the Performance Report**  
**For the Year ended 30 June 2017**

**Note 3 - Analysis of Assets and Liabilities**

<b>Assets</b>	<b>2017</b>	<b>2016</b>
	\$	\$
<b>Bank &amp; Cash</b>		
Bank Trading Accounts	158,208	154,481
Bank Accounts – Specified Funds	7,559	7,345
<b>Total</b>	<u>165,767</u>	<u>161,826</u>
<b>Current Investments</b>		
Managed funds	16,657,126	15,799,806
Other Funds	297,684	-
<b>Total</b>	<u>16,954,810</u>	<u>15,799,806</u>
<b>Non-Current Investments</b>		
Mortgage loans	8,741,003	8,887,429
Managed funds	8,097,185	7,623,745
<b>Total</b>	<u>16,838,188</u>	<u>16,511,174</u>
 <b>Liabilities</b>		
<b>Creditors and accruals</b>		
Trade Creditors	35,520	41,210
Accruals	18,200	20,199
<b>Total</b>	<u>53,720</u>	<u>61,409</u>



**The Freemasons Charity**  
**Notes to the Performance Report**  
**For the Year ended 30 June 2017**

**Note 4 - Accumulated Funds**

	The Freemason Charity				Chair of		Scholarship	Total
	General Fund	Gerontology Fund	Paediatric Fund	Paediatric Fund	Gerontology Fund	Paediatric Fund	Fund	\$
<b>30 June 2017</b>								
Opening Balance	\$ 29,067,297	987,071	2,357,028	\$ -	\$ -			32,411,397
Surplus/(Deficit)	1,181,093	34,884	(20,012)	297,684				1,493,649
<b>Total</b>	<b>30,248,390</b>	<b>1,021,955</b>	<b>2,337,016</b>	<b>297,684</b>				<b>33,905,045</b>
<b>30 June 2016</b>								
Opening Balance	\$ 29,437,872	999,424	2,385,851	\$ -	\$ -			32,823,147
Surplus/(Deficit)	(370,575)	(12,353)	(28,822)	-	-			(411,750)
<b>Total</b>	<b>29,067,297</b>	<b>987,071</b>	<b>2,357,028</b>	<b>-</b>	<b>-</b>			<b>32,411,397</b>



**The Freemasons Charity**  
**Notes to the Performance Report**  
**For the Year ended 30 June 2017**

<b>Breakdown of Reserves</b>		<b>2017</b>	<b>2016</b>
<b>Name</b>	<b>Nature and Purpose</b>	<b>\$</b>	<b>\$</b>
The Freemasons Charity General Fund	Accumulated surplus to allow the Charity to continue its activities.	30,248,390	29,067,297
Paediatric Fund	Provides fellowships for post graduates in paediatrics research	2,337,016	2,357,028
Chair of Gerontology Fund	Supports research for the science of aging. Provides fellowships for post graduates in paediatrics research	1,021,955	987,071
Scholarship Fund	Scholarship(s) are paid to talented engineering students who show excellence combined with social conscience	297,684	-
		<b>33,905,045</b>	<b>32,411,397</b>



**The Freemasons Charity**  
**Notes to the Performance Report**  
**For the Year ended 30 June 2017**

**Note 5 - Commitments and contingencies**

There were no commitments or contingencies as at 30 June 2017 (2016: \$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:

	2017	2016
	\$	\$
<b>Financial assets</b>		
<i>Financial assets at fair value through surplus or deficit</i>		
Investments	25,051,995	23,423,551
<i>Loans and receivables</i>		
Bank & Cash	165,767	161,826
Mortgage loans	8,741,003	8,887,429
	<u>8,906,770</u>	<u>9,049,255</u>
<b>Financial liabilities</b>		
<i>At amortised cost</i>		
Trade creditors	35,520	41,210
	<u>35,520</u>	<u>41,210</u>

**Note 7 – Loans**

Secured term loans at negotiated interest rates, terms and conditions and repayment of principal.



**The Freemasons Charity**

**Notes to the Performance Report  
For the Year ended 30 June 2017**

**Note 8 - Related Party Transactions**

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	2017	2016	2017	2016
		\$ Value of Transactions	\$ Value of Transactions	\$ Amount Outstanding	\$ Amount Outstanding
Freemason House – common control	Mortgage Interest Paid	244,287	444,125	-	-
	Mortgage loan held	5,775,000	5,775,000	5,775,000	5,775,000
Freemasons New Zealand – common control	Accounts Payable – invoices paid on behalf of the Charity	13,993	21,713	13,993	21,713
	Administration fee for support services	174,705	166,000	-	-
	Transfer of building loans	-	2,725,000	-	2,725,000

**Note 9 - 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. (2016: \$Nil)





# Independent Auditor's Report

**Audit**  
**Grant Thornton New Zealand Audit**  
**Partnership**  
Level 15, Grant Thornton House  
215 Lambton Quay  
PO Box 10712  
Wellington 6143  
T +64 (0)4 474 8500  
F +64 (0)4 474 8509  
[www.grantthornton.co.nz](http://www.grantthornton.co.nz)

## **To the Trustees of The Freemasons Charity**

### **Report on the Performance Report**

#### Opinion

We have audited the performance report of The Freemasons Charity (the "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 2017, the statement of financial position as at 30 June 2017, and notes to the performance report, including summary of significant accounting policies and other explanatory information.

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 accompanying performance report 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 Freemason Charity as at 30 June 2017 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 in New Zealand by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit of the statement of service performance, 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). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of The Freemason Charity in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, The Freemasons Charity.

#### Information Other than the Performance Report and Auditor's Report thereon

The Trustees are responsible for the other information. The other information comprises the Annual report for the year ended 30 June 2017. The Annual Report is expected to be made available to use after the date of this auditor's report.

Our opinion on the performance report does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### Responsibilities of the Trustees for the Performance Report

The Trustees are responsible 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 on behalf of the entity 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

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- (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.

In preparing the performance report, the Trustees are responsible on behalf of the Charity for assessing the its 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 Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report 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 ISAs (NZ) and ISAE (NZ) 3000 (Revised) 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 performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance 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 charities internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charities 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 performance 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 entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Trustees 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.

**Restriction on use of our report**

This report is made solely to the Trustees, as a collective body. Our audit work has been undertaken so that we might state to the Trustees, as a collective body those matters which we are required to state to them in our audit 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 Trustees, as a collective body, for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Partnership**



**Brent Kennerley**  
**Partner**  
**Wellington**  
**11 November 2017**