



Freemasons New Zealand

Consolidated Special Purpose Financial Statements

For the year ended 30 June 2020

Freemasons New Zealand

Consolidated Statement of Financial Performance
For the year ended 30 June

	2020	2019
Note	\$	\$
INCOME		
Brokerage Commission Received	256,444	385,329
Capitation Fees	467,754	478,104
Interest Received	300,697	313,895
Other Income	187,078	361,657
	1,211,972	1,538,986
EXPENDITURE		
Audit Fees	14,456	24,371
Depreciation	7,740	8,101
Interest Paid	135,000	112,500
Other Administrative Expenses	1,044,720	956,906
	1,201,916	1,101,878
Operating surplus/(deficit) before tax	10,057	437,108
Taxation	1,386	51,912
Operating Surplus/(deficit) after tax	8,671	385,196
Surplus/(Deficit) for the year	8,671	385,196

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

General Fund	(75,543)	(90,797)
Freemasons Property	(2,945)	89
Building Fund	88,035	213,659
Communication Fund	(85,925)	(68,267)
Special Reserve Fund	85,050	330,511
	8,671	385,196

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

President of the Board of General Purposes

Grand Treasurer

Date:

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

Freemasons New Zealand

Consolidated Statement of Financial Position

As at 30 June

		2020	2019
	<i>Note</i>	\$	\$
CURRENT ASSETS			
Cash on Hand		-	200
Bank Accounts	2	5,313,780	5,623,989
Accounts Receivable & Prepayments	3	119,736	134,754
Taxation Receivable	5	43,131	-
Building Fund Loans	9	2,952,081	2,823,352
Stock on Hand		28,202	38,763
Total current assets		8,456,930	8,621,058
NON CURRENT ASSETS			
Investments	9	1,591,748	1,591,748
Plant & Equipment	6	141,972	148,225
Building Fund Loans	9	3,000,000	3,000,000
Total non current assets		4,733,720	4,739,973
TOTAL ASSETS		13,190,650	13,361,031
CURRENT LIABILITIES			
Accounts Payable	4	110,275	292,266
Employee Entitlements	10	21,018	9,344
Taxation Payable	5	-	22,110
Business Cards	4	4,110	-
Grand Master Relief Fund	4	19,759	18,001
Nelson Masonic Hall Fire Appeal	4	7,507	-
Loan from The Freemasons Charity	8	3,000,000	3,000,000
Total current liabilities		3,162,669	3,341,721
TOTAL LIABILITIES		3,162,669	3,341,721
NET ASSETS		10,027,981	10,019,310
ACCUMULATED FUNDS			
Accumulated funds and reserves		10,027,981	10,019,310
TOTAL ACCUMULATED FUNDS		10,027,981	10,019,310

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

Freemasons New Zealand

Notes to the Consolidated Special Purpose Financial Statements

For the year ended 30 June 2020

Statement of Accounting Policies

Reporting Entity

Freemasons New Zealand includes the operations of The Freemasons Property Limited. Freemasons New Zealand is governed by the Grand Lodge of Freemasons of New Zealand Trustees Act 1903 as an unincorporated society. The purpose of Freemasons New Zealand is to provide support to their lodges throughout New Zealand. All amounts are stated 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. There have been no changes in the accounting policies in the current year.

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.

Specific Accounting Policies

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. In October 2019 the rate was reduced to 0.2% per annum
- 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	7 - 10% 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) **Bank Accounts and Cash** - Bank and Cash amounts are recognised at fair value at reporting date.

(f) **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.

(g) **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.

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

(i) Investment

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

(j) **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.

These are constantly recycled for Grand Lodge Officers and replaced when necessary. (Note 6.)

(k) **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.

(l) 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.

Freemasons New Zealand

Notes to the Consolidated Special Purpose Financial Statements

For the year ended 30 June 2020

2 Bank Accounts

	2020 \$	2019 \$
<i>ANZ Bank</i>		
Current Account	106,475	113,743
<i>Heartland</i>		
The Freemasons Property Limited	120,217	120,032
General/Current Account	261,926	661,478
Building Fund	1,873,799	1,963,491
Communication Fund	196,853	168,547
Special Reserve Fund	2,727,244	2,578,697
Grand Master Relief Fund	19,759	18,001
Nelson Masonic Hall Fire Appeal	7,507	-
	5,313,780	5,623,989

3 Receivables

	2020 \$	2019 \$
Current Receivables		
Receivables from Lodges	77,078	71,839
Receivables The Freemasons Property Limited	11,250	11,250
Receivables GST	7,854	31,433
Interest Accrued	17,351	19,508
Prepayments	6,202	724
	119,736	134,754

4 Payables

	2020 \$	2019 \$
Accounts Payable - General	95,675	292,266
Business Cards	4,110	-
Accounts Payable The Freemasons Property Limited	14,600	-
	114,385	292,266
Nelson Masonic Hall Fire Appeal to be paid out	7,507	-
Grand Master Relief Fund to be paid out	19,759	18,001
	141,651	310,267

5 Taxation

	2020 \$	2019 \$
Tax Expense		
Net Surplus Before Tax	12,503	317,199
Non Assessable Income & Other Deductions	(689,654)	(734,911)
Non Deductible Expenses	690,354	602,537
	13,203	184,825
Tax Payable at Individual Rates Based on Annualised Income	1,386	51,912
Tax Liability		
Opening Balance	22,110	(26,464)
Plus Current Year Tax Expense	1,386	51,912
Tax for Freemasons Property	(34)	34
Tax Refunds Received	-	26,464
Interest Paid	-	37
IRD UOMI	-	(37)
Tax paid during the year	(66,593)	(29,836)
Closing Balance	(43,131)	22,110

Freemasons New Zealand

Notes to the Consolidated Special Purpose Financial Statements

For the year ended 30 June 2020

6. Property, Plant and Equipment

	Cost 30/06/2019	Accumulated Depreciation 30/06/2019	Opening Book value 1/07/2019	Additions/ (Disposals)	Depreciation	Cost 30/06/2020	Accumulated Depreciation 30/06/2020	Closing Book Value 30/06/2020
Office:								
Office Equipment	131,846	123,857	7,989	(115,677)	(111,460)	16,169	12,397	3,771
Furniture & Fittings	199,148	199,148	-	(156,863)	(158,675)	42,285	40,473	1,812
Trade Mark	5,010	-	5,010	-	-	5,010	-	5,010
Regalia & Jewels	118,935	-	118,935	-	-	118,935	-	118,935
Library & Museum	42,138	25,847	16,291	-	3,847	42,138	29,694	12,444
	497,077	348,852	148,225	(272,541)	(266,288)	224,536	82,564	141,972

7. Operating Lease Commitments

	2020 \$	2019 \$
Photocopier		
Within One Year	6,437	7,080
One - Two Years	6,437	7,080
Two - Five Years	536	8,260
	13,410	22,420

Lease expenses for the year are \$7,080 (2019: \$6,579).

8. Related Party Transactions

	2020 \$	2019 \$
Transactions between Freemason New Zealand and The Freemason Charity		
Administration fee	100,000	100,000
The Freemasons Property Loan	3,000,000	3,000,000
Transactions between Freemason New Zealand and associated Trusts		
Administration fee Potter Trust	20,000	13,800
Administration fee HN Rankin Education Trust	5,000	12,400
Administration fee Lawson-Smith FM Education Trust	5,000	10,600
Transactions between Freemason New Zealand and Board Members		
	-	-

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

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

9. Investments, Loans & Mortgages

	2020 \$	2019 \$
Current Assets:		
Building Fund Loans	2,952,081	2,823,352
Investments:		
Shares Masonic Hall Companies	1,591,748	1,591,748
Non Current Liabilities:		
Mortgage to The Freemasons Property for WMC	3,000,000	3,000,000

Freemasons New Zealand

Notes to the Consolidated Special Purpose Financial Statements

For the year ended 30 June 2020

10. Financial Instruments

	2020	2019
	\$	\$
Financial Assets		
<i>Loans and receivables</i>		
Cash	5,313,780	5,503,957
Accounts receivable	119,736	123,504
Building Fund loans	2,952,081	2,823,352
Investments	1,591,748	1,591,748
	<u>9,977,345</u>	<u>10,042,561</u>
Financial Liabilities		
Amortised cost		
Accounts Payable	141,651	321,094
Employee Entitlements	21,018	9,344
	<u>162,669</u>	<u>330,438</u>

11. Contingent Liabilities and Commitments

There were no contingent liabilities or commitments notes as at 30 June 2020 (2019: \$Nil).

12. COVID-19

On 11 March 2020 the World Health Organisation declared a global pandemic in respect to the COVID-19 virus outbreak. Following establishment of a foothold within the New Zealand population, the New Zealand Government initiated a range of restrictions and measures in an attempt to eliminate the virus within New Zealand. As at the date of this report the impact of the pandemic is ongoing and is expected to have a significant long lasting economic impact on New Zealand, with likely flow through to most businesses. Due to the inherent uncertainty of the duration and impact of the pandemic it is not practicable to determine the full impact that the virus will have on the Group going forward, however the Group's assessment is that it is unlikely to be significant to its operations and therefore the Board continues to consider it appropriate to apply the going concern basis of accounting to the Special Purpose Financial Statements.

13. Subsequent Events Notes

At the Board of General Purpose meeting held on Sunday, 20th September 2020 it was resolved to close the Freemasons Property Company Ltd and transfer the assets and liabilities to Freemasons NZ (2019: Nil).

Freemasons New Zealand

Statement of Movements in Accumulated Funds

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
ACCUMULATED FUNDS AND RESERVES			
Balance as at 1 July		10,019,310	9,634,114
Add: surplus/(Deficit)		8,671	385,196
Total Recognised Revenue & Expenses		8,671	385,196
Balance as at 30 June		<u>10,027,981</u>	<u>10,019,310</u>
B) ANALYSIS OF INDIVIDUAL FUNDS			
1. Board of General Purposes General Fund			
Balance as at 1 July		854,207	945,004
Allocation for the year		(75,543)	(90,797)
Balance as at 30 June		<u>778,664</u>	<u>854,207</u>
2. The Freemasons Property Limited			
Balance as at 1 July		179	90
Allocation for the year		(2,945)	89
Balance as at 30 June		<u>(2,766)</u>	<u>179</u>
3. Building Fund			
Balance as at 1 July		6,455,815	6,242,156
Allocation for the year		88,035	213,659
Balance as at 30 June		<u>6,543,850</u>	<u>6,455,815</u>
4. Communication Fund			
Balance as at 1 July		87,782	156,049
Allocation for the year		(85,925)	(68,267)
Balance as at 30 June		<u>1,856</u>	<u>87,782</u>
5. Special Reserve Fund			
Balance as at 1 July		2,621,327	2,290,816
Allocation for the year		85,050	330,511
Balance as at 30 June		<u>2,706,377</u>	<u>2,621,327</u>

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.

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

Grand Lodge of Antient Free & Accepted Masons of New Zealand
Appendix to Financial Statements
For the year ended 30 June 2020

Board of General Purposes - General Fund

Statement of Financial Performance for the year ended 30 June 2020

	2020 \$	2019 \$
REVENUE		
Capitation Fees	467,754	478,104
Other Income	143,834	184,709
Interest Received	8,176	22,105
Total Revenue	619,763	684,918
EXPENSES		
<i>Administration Expenses</i>		
Audit Fees	11,106	24,371
Depreciation	7,740	8,101
Stock movement	15,496	-
General Expenses	148,138	104,790
Insurance	30,825	24,443
Photocopier Lease	7,080	6,579
Board Meetings & Travel	67,217	60,517
Prior Year Adjustment	46,210	63,152
<i>Taxation</i>	1,386	51,912
<i>Repairs & Maintenance</i>		
Furniture, Fittings & Equipment	184	958
Office Machinery	-	1,140
Regalia, Jewels & Service Awards	26,763	33,156
Salaries, Employment Related Expenses including ACC	333,162	396,596
Total Expenses	695,307	775,715
Net surplus/(deficit) for year	(75,543)	(90,797)

The Freemasons Property Limited

Statement of Financial Performance for the year ended 30 June 2020

	2020 \$	2019 \$
REVENUE		
Interest Received on Loan	135,000	112,611
Heartland Interest Received	411	-
Total Revenue	135,411	112,611
EXPENSES		
Audit Fees	3,350	-
General	41	-
Interest Paid on Loan to TFC	135,000	112,522
Tax Paid	(35)	-
Total Expenses	138,357	112,522
Net surplus/(deficit) for year	(2,945)	89

Building Fund

Statement of Financial Performance for the year ended 30 June 2020

	2020 \$	2019 \$
REVENUE		
Proceeds from Sale of Lodge	-	119,820
Interest Received	88,035	97,522
Total Revenue	88,035	217,342
EXPENSES		
Building Fund costs	-	3,683
Taxation	-	-
Total Expenses	-	3,683
Net surplus/(deficit) for year	88,035	213,659

Grand Lodge of Antient Free & Accepted Masons of New Zealand
Appendix to Financial Statements
For the year ended 30 June 2020

Communication Fund

Statement of Financial Performance for the year ended 30 June 2020

	2020	2019
	\$	\$
REVENUE		
Interest Received	3,871	4,756
Sponsorship	20,000	25,000
Total Revenue	<u>23,871</u>	<u>29,756</u>
EXPENSES		
2019 Communication Expenses	109,796	98,023
Net surplus/(deficit) for year	<u><u>(85,925)</u></u>	<u><u>(68,267)</u></u>

Special Reserve Fund

Statement of Financial Performance for the year ended 30 June 2020

	2020	2019
	\$	\$
REVENUE		
Brokerage Commission Received - Heartland Bank	256,444	385,329
Interest Received	65,204	76,901
Other Income	23,244	2,000
Total Revenue	<u>344,892</u>	<u>464,230</u>
EXPENSES		
New Zealand Freemason Magazine	90,979	63,269
Publicity & Public Relations	56,492	63,475
Renewal & Development	98,700	6,975
SRF & Building Fund Tax	-	-
Grants - Research Lodges	-	-
Support for Lodges	13,670	-
Taxation	-	-
Total Expenses	<u>259,842</u>	<u>133,719</u>
Net surplus/(deficit) for year	<u><u>85,050</u></u>	<u><u>330,511</u></u>