



The Freemasons Charity

PERFORMANCE REPORT
For the year ended 30 June 2022

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The Freemasons Charity
Entity Information
For the Year Ended 30 June 2022

Legal Name of Entity: The Freemasons Charity

Type of Entity and Legal Basis: The Freemasons Charity is a registered charity under the Charities Act 2005.

Registration Number: CC 46016

The Freemasons Charity's Purpose / Mission

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:

- Selwyn James Cooper
- Leslie Arthur Green
- Edwin John Eeles
- Neville Francis Patrick
- Michael Ferguson Scott
- Stephen Lester Salmon

The Board of General Purpose meets on a regular three monthly basis.

Main Sources of the Entity's Cash and Resources

The Freemasons Charity's primary source of funding is through receipt of interest on an investment portfolio.

Main Method used to Raise Funds

Additional sources of funding include: Donations from members or funds bequeathed from Estates

Reliance on Volunteers and Donated Goods and Services

Freemasons members volunteer for the entity undertaking activities and supporting local activities throughout New Zealand

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PO Box 6439, Wellington 6141

Phone:

04 385-6622

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accounts@freemasons.nz.org

Description of Outcomes

Key strategic objectives and outcomes The Freemasons Charity aims to achieve, influence and deliver include:

| 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 encourage our members, usually through their local lodges, to get involved in their local communities with local projects that enhance the community for others.

Description and Quantification of Outputs

The Freemasons Charity has partnered effectively with a number of local lodges, local charities, national organisations and medical and research institutes, to provide funding and support throughout New Zealand, providing long term benefits to the community and support to those in need.

Community based projects ranged from Powering Potential empowering secondary students to realise their full potential and Canterbury West Coast Air Rescue Trust for the purchase of rescue equipment

National organisations to benefit include Special Olympics New Zealand for the December 2022 event to be held in Hamilton. Camp Purple for Crohn's and Colitis youth and Camp Quality for children living with cancer.

The annual Freemasons Scholarships have recognised 27 high achievers garnered from all New Zealand Universities with Graduate and Post Graduate support with further support being given to students studying the Veterinary sciences.

Medical and scientific research has been supported with long term collaborations with the University of Otago, and the Malaghan Institute

During Covid lockdown, support was made available to those experiencing financial hardship.

The Freemasons Charity
Statement of Service Performance
For the Year Ended 30 June 2022

Description and Quantification of Outputs

Outcomes	21/22	Amount	20/21	Amount
Child Health (Paediatrics)	4	\$112,915	3	\$141,989
Freemasons Scholarships	27	\$196,000	28	\$200,000
Grants Defibrillators	0	\$0	5	\$7,657
Grants Hospital Packs	1	\$3,009	1	\$3,704
Grants Individuals/Critical	63	\$88,362	56	\$95,865
Lodge Projects, Camps and SONZ	80	\$418,025	89	\$266,435
Special Projects	4	\$142,470	9	\$143,381
YSAR	3	\$150,000	0	\$0
Malaghan Institute	1	\$200,000	2	\$245,800
Orakei Scholarship	1	\$10,000	1	\$10,000
TOTAL	184	\$1,320,781	194	\$1,114,831

Additional Output Measures

No delivery of major events in the current year (2021: \$Nil).

Additional Information

The Freemasons Charity, for a number of years has been firmly committed to education and scientific research.

The Trust supports a range of projects approved by the Trustees
The Trustees accept applications to the Trust at any time of the year

Delivery of Major Events

Scholarships were presented in May 2022 at various locations throughout NZ.

**Signed for and on behalf of the Trustees of The Freemasons Charity
who approve these financial statements for issue:**



VW Bro M Cadman, Grand Treasurer



RW Bro N Patrick, Chair Trustee

Date: 21st September 2022

The Freemasons Charity
Statement of Financial Performance
For the Year Ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue			
Revenue from members	1	38,868	50,133
Interest, dividends and other investment revenue	1	983,929	933,903
Unrealised Investment gain / (losses)	1	(4,474,986)	4,016,762
Other Revenue	1	-	4,915
Total Revenue		<u>(3,452,189)</u>	<u>5,005,714</u>
Expenses			
Provision of goods or services	2	245,585	222,443
Grants and donations	2	1,320,782	1,114,831
Other expenses	2	308,945	275,616
Total Expenses		<u>1,875,312</u>	<u>1,612,890</u>
Surplus for the year		(5,327,501)	3,392,823

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



The Freemasons Charity
Statement of Financial Position
As at 30 June 2022

	Notes	2022 \$	2021 \$
Assets			
Current Assets			
Bank and Cash	3	49,219	153,255
Investments	3	401,685	5,278,096
Stock			-
Loans and Mortgages	3	241,174	2,461,194
Total Current Assets		692,078	7,892,544
Non-Current Assets			
Investments	3	34,929,658	32,720,967
Total Non-Current Assets		34,929,658	32,720,967
Total Assets		35,621,736	40,613,511
Current Liabilities			
Creditors and accruals	3	390,706	54,980
Total Current Liabilities		390,706	54,980
Total Liabilities		390,706	54,980
Net Assets		35,231,030	40,558,531
Accumulated Funds			
Accumulated Surplus as at 1 July	4	40,558,531	37,165,708
Surplus for the Year	4	(5,327,501)	3,392,823
Total Accumulated Funds as at 30 June		35,231,030	40,558,531

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 2022

Cash Flows from Operating Activities	2022	2021
	\$	\$
Cash was received from		
Receipts from members	39,418	49,583
Interest, dividends and other investment receipts	43,153	87,718
Other Income	69,243	4,915
	<u>151,814</u>	<u>142,217</u>
Cash was applied to:		
Payments to suppliers	264,346	185,950
Scholarships or grants paid	1,041,503	1,120,850
	<u>1,305,849</u>	<u>1,306,799</u>
Net Cash Flows from Operating Activities	(1,154,036)	(1,164,583)
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Disposal of investments	-	-
Loan Repayments Received	2,200,000	948,048
Loan Advances	-	-
Cash was applied to:		
Acquisition of Investments	(1,150,000)	(220,000)
Net Cash Flows from Investing and Financing Activities	1,050,000	728,048
Net Increase / (Decrease) in Cash	(104,036)	(436,535)
Opening Cash	153,255	589,790
Closing Cash	49,219	153,255
This is represented by:		
Bank & Cash	<u>49,219</u>	<u>153,255</u>

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



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 April 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

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 Trust is a registered charity under the Charities Act 2005, and accordingly is not subject to income tax.

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 IPSAS Accounting Standards Applied

The Trust has elected to adopt 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.

PBE IPSAS 29 Financial Instruments: Recognition and measurement

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; or
- 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

Under PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*, 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.

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 (2021: Nil).

Comparative Figures

Certain comparative figures have been reclassified for disclosure purposes.



The Freemasons Charity
Notes to the Performance Report
For the Year Ended 30 June 2022

2022 **2021**
 \$ \$

Note 1: Analysis of Revenue

Revenue from members

Donations (from members)	38,868	50,133
Total	38,868	50,133

Interest, dividends and other investment revenue

Special Support Loan Interest from individuals	4,730	9,972
Interest from The Freemasons Property Loan	15,302	100,268
Interest/Dividends from JB Were	960,796	822,713
Bank Interest	3,100	950
Total	983,929	933,903

Unrealised gain/(loss) on investments	(4,474,986)	4,016,762
Total	(4,474,986)	4,016,762

Other Revenue

Bequests from Estates	-	4,915
Total	-	4,915

Note 2: Analysis of Expenses

Provision of goods or Services

Administration and General	138,410	137,099
Audit fees	19,277	23,558
Grants and Scholarship Expenses	59,676	33,357
Training and Seminars	500	7,282
Meetings	2,845	15,741
Publicity	24,878	5,405
Total	245,585	222,443

Grants and donations

Grants Paid	682,417	471,161
Gifts	-	-
Scholarships	196,000	200,000
Child Health Otago University	112,915	141,989
Malaghan Institute	200,000	245,800
Orakei Scholarship	10,000	10,000
Sponsorship	119,450	45,881
Total	1,320,782	1,114,831

Other Expenses

Investment Monitoring	247,573	219,090
Imputation Credit not claimed	61,372	56,527
Total	308,945	275,616



The Freemasons Charity
Notes to the Performance Report
For the Year Ended 30 June 2022

2022 **2021**
 \$ \$

Note 3: Analysis of Assets and Liabilities

Assets

Bank & Cash

ANZ cheque account	29,804	121,994
Heartland Bank – Freemason Charity	19,415	31,260
Total	49,219	153,255

Current Assets Investments

Managed funds – JB Were	396,270	5,278,096
Stock	5,415	-
Total	401,685	5,278,096

Current Assets Loans and Mortgages

Special Support Loans to individuals	241,174	236,444
Loan to Freemasons Property Ltd	-	2,200,000
Interest due on loan to Freemasons Property	-	24,750
Total	241,174	2,461,194

Non-Current Assets

Managed funds – JB Were	34,929,658	32,720,967
Total	34,929,658	32,720,967

TOTAL ASSETS

35,621,736 40,613,511

Liabilities

Creditors and accruals

Trade Creditors	32,009	33,974
Accruals	139,454	21,006
Special Projects Grants Provisions	100,000	-
YSAR Provisions	50,000	-
SONZ Collection	69,243	-
Total	390,706	54,980



Note 4: Accumulated Funds

	30-Jun-22				
	The Freemason Charity General Fund	Malaghan	Child Health	Orakei Scholarship Fund	Total
	\$	\$	\$	\$	\$
Opening Balance	36,956,641	987,245	2,243,488	371,158	40,558,531
Surplus/(Deficit)	(4,686,983)	(273,126)	(321,589)	(45,803)	(5,327,501)
Total	32,269,658	714,119	1,921,899	325,355	35,231,030

	30-Jun-21				
	The Freemason Charity General Fund	Malaghan	Child Health	Orakei Scholarship Fund	Total
	\$	\$	\$	\$	\$
Opening Balance	33,646,884	1,085,519	2,098,124	335,182	37,165,708
Surplus/(Deficit)	3,309,757	(98,274)	145,364	35,976	3,392,823
Total	36,956,641	987,245	2,243,488	371,158	40,558,531



The Freemasons Charity
Notes to the Performance Report
For the Year Ended 30 June 2022

Breakdown of Reserves		2022	2021
Name	Nature and Purpose	\$	\$
The Freemasons Charity General Fund	Accumulated surplus to allow the Charity to continue its activities.	32,269,658	36,956,641
Paediatric Fund	Provides fellowships for post graduates in paediatrics research	1,921,899	2,243,488
Chair of Gerontology Fund	Supports research for the science of aging. Provides fellowships for post graduates in paediatrics research	714,119	987,245
Orakei Education Scholarship Fund	Scholarship(s) are paid from returns of the investment capital.	325,355	371,158
		35,231,030	40,558,531

Note 5: Commitments and contingencies

There were no commitments or contingencies as at 30 June 2022 (2021: 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:

	2022	2021
	\$	\$
Financial assets		
<i>Financial assets at fair value through surplus or deficit</i>		
Investments – JB Were	-	28,327,765
Fixed Interest Investments - Offshore	7,614,154	
Equity Investments	21,156,966	
Alternative Investments	390,000	
Total	29,161,120	28,327,765
<i>Financial assets at amortised cost</i>		
Fixed Interest Investments - NZ	6,193,232	4,794,402
Cash at JB Were	(28,424)	4,876,896
Cash at Bank	49,219	153,255
Special Support Loans to individuals	241,174	236,444
Loan Freemason Property	-	2,200,000
Total	6,455,201	12,260,996
Financial liabilities		
<i>At amortised cost</i>		
Trade creditors	32,009	33,974
Accruals	139,454	21,006
Special Projects Grants Provisions	100,000	-
YSAR Provisions	50,000	-
SONZ Collection	69,243	-
Total	390,706	54,980



Note 7: Related Party Transactions

Description of Related Party Relationship	Description of the Transaction (whether in cash or amount in kind)	2022	2021	2022	2021
		\$	\$	\$	\$
		Value of Transactions	Value of Transactions	Amount Outstanding	Amount Outstanding
Freemason Property Limited – common control	Mortgage Interest Paid	15,302	100,268	-	-
	Mortgage loan held	-	-	-	2,200,000
Freemasons New Zealand – common control	Administration fee for support services	125,000	100,018	-	-

Note 8: Subsequent Events

Other than the impact of events noted within these financial statements, there have been no events subsequent to balance date that would materially affect the financial statements (2021: \$Nil).



Independent Auditor's Report

To the Trustees of The Freemasons Charity

Report on the Performance Report

Opinion

We have audited the performance report of The Freemasons Charity on 3 to 17, 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 2022, the statement of financial position as at 30 June 2022, 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 Freemasons Charity as at 30 June 2022 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.

Basis for Opinion

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). 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 Freemasons Charity in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* 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.

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 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 Freemasons Charity for assessing The Freemasons Charity'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 the Trustees either intend to liquidate The Freemasons 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 entity's 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 entity'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 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 Freemasons Charity's Trustees, as a body. Our audit work has been undertaken so that we might state to The Freemasons Charity's Trustees, as a 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 Freemasons Charity and The Freemasons Charity's Trustees, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

Michael Stewart
Partner
Christchurch
11 October 2022