

FREEMASONS NEW ZEALAND

Annual Review



Incorporating the 2015/16 Annual Report



Contents

Grand Master's introduction	3
Upholding a tradition of caring	4
President's report	7
Financial extracts	15
From the Grand Master elect	17

The celestial canopy that covers each and every one of us is also a fundamental symbol of Freemasonry and represents the covering of the Lodge.

Freemasonry accommodates many different attitudes and interests within the masonic family and, amongst other activities, offers various levels of philosophic contemplation: simplistic; practical; deeply reflective; and a myriad in between.



Grand Master's introduction

Over the last three years we have come a long way. We've listened to our members, taken on board their suggestions and have developed strategies and growth opportunities needed to take us forward to become a stronger, more efficient, more effective and focused organisation.

This year we have used a new format for the presentation of our annual report, which we trust you will enjoy. The financial information in this Annual Review booklet is in extract form. If you would like to read the full detailed accounts, these are available on the Freemasons website www.freemasons.nz.org or from the chief executive.

As society changes so do organisations. Freemasonry is no exception, and must continue to recognise change and adapt accordingly. It will never have the membership numbers of the past, but that does not mean that it cannot be successful. It still has so much to offer men of all ages. The personal growth and character development we receive by taking part in Freemasonry is something we should all value and promote.

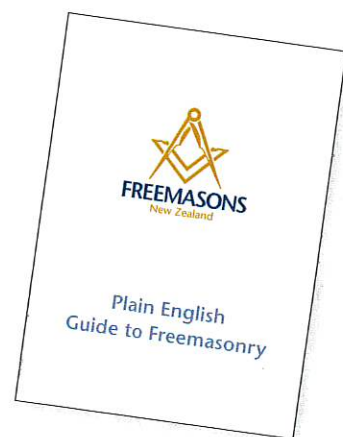
Public understanding and communicating what we do is so important for our future growth and is something that Diana and I have championed. We are delighted with the popular reception and the use of the booklet *Plain English Guide to Freemasonry* and the help and confidence it has given brethren, their partners and families in discussing Freemasonry in the wider community.

We are enormously thankful to you all for the wonderful opportunity my tenure as Grand Master has provided and which will shortly be completed. It has been a most memorable experience and we have so enjoyed meeting you and seeing first-hand the depth of commitment the Freemasonry family has to communities throughout New Zealand.

Finally, I would like to record my appreciation to so many people for their work and dedication as it has taken us to a position where we can look forward to an even more successful and exciting future. I thank everyone from Board Members, Divisional and District Grand Masters, Lodges and their brethren and the national office staff for what has been a truly magnificent team effort.

John Litton
Grand Master

"The personal growth and character development we receive by taking part in Freemasonry is something we should all value and promote."



Upholding a tradition of caring



Catherine Sherwin

Freemasons Paediatric Fellow

Being awarded the Postgraduate Fellowship in Pediatrics and Child Health allowed me to get a great start on my career. Not only did it give me recognition by getting the award but it allowed me to develop my clinical research which in these subsequent years has had tremendous impact on children related to the use of drugs in that population.



Reece Rogers

Lodge Tuakau, Pukekohe

They say we are all living longer – I certainly am at 100 years of age. Through Freemasonry I've met wonderful friends who stand for the same values as I do; men who want to improve their own characters and who want to help others. It is an ideal organisation for men throughout the whole of their lives.



Yuwei Goodhue

Lodge Kaikohe, Ohaeawai

My stepfather (Robert Goodhue, pictured at right) said Freemasonry is a good foundation for life. As the son of a Freemason, I'm a Lewis member and at 18 years of age know I've a lot to learn. The eye-opener is to see the dedication of the men who are involved. It shows me the whole experience is going to be worthwhile.



Ricca Cooper

Lodge Tironui, Papakura

What I get from freemasonry, is not only a fraternal body of comradery, with men from all walks of life; but also a haven for free-thinking, nurturing, for my spiritual beliefs, and encouragement in my general desire of knowledge. A place for like-minded men, to meet indiscriminately.



Ken Franklin

Otago Rescue Helicopter Trust Manager

Freemasons of Wanaka and Lakes Districts recently donated \$54,000 to the Otago Rescue Helicopter Trust. This donation will make a significant difference to the lives of many of our future patients. We thank those Freemasons who worked hard in raising these funds. Their generosity and commitment deserves recognition and praise.



Ray Keenan

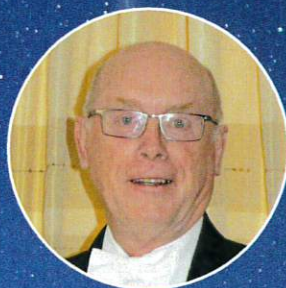
Lodge Te Puni, Lower Hutt

During my 35 years of Freemasonry I've seen the good our charity does within our fraternity and the community. It's great to be part of a team involved in fundraising projects. The work is as satisfying for us as the end result is for the people and organisations who benefit from our efforts.



John Bunyan Lodge Gisborne

My 70 year badge represents 70 years of fun and friendship amongst like-minded people, both in New Zealand and overseas. Such are the values and virtues of our fraternity that I would gladly do it all again if I had the opportunity.



David Johnston

The Manuwatu Kilwinning Lodge and
The Research Lodge of Ruapehu

I welcomed the opportunity to participate in training for my role of a District Grand Master after which I realised that 'Encouragement is the Best Investment in Training' and will ensure that those men beginning their three-year term as leaders will be well prepared to be effective in their roles.



Beryl Duncan Christchurch

I so enjoyed the friendships made through my late husband's involvement in Freemasonry. Although it is three years since Gordon died, it's lovely to still be included in Lodge luncheons and events and receive small gifts. I am lucky to have a caring family nearby and also such caring masonic friends.



Jacinda Ardern Labour List MP, Keynote Speaker 2015 Freemasons University Scholarships

As an alumnus myself, it was fantastic to meet so many talented outstanding scholarship recipients, and to see their work being supported by the Freemasons. I have no doubt we will see many of their names in lights in the not too distant future.



Christopher Cayanan

The Methven Lodge

I emigrated from the Philippines in 2008, work as a motorcycle mechanic and became a Freemason in 2011. My wife and our two teenagers joined me in 2012. We love our life here. Freemasonry has given me more confidence and we enjoy helping with charity projects benefiting the community that has welcomed us.



President's report

Overview

The success of the 2015/16 year has been built on the continuation of strong governance by the Board of General Purposes, the commitment for good fiscal management, and an investment in our people – particularly those who are leading us into the future.

Commencing with the development of the Strategic Plan, a restructuring of the Board, and the introduction of the National Leadership Team, the Board has been able to concentrate on setting the platform for engagement and empowerment to ensure that there is a strong future for Freemasonry with a commitment to our members and their families.

Living within our means and recognising the changing face of membership, brought its own challenges, but we are pleased to report that we have been able to manage our expenditure well during the year. By reducing costs, we have been able to channel funds into future growth by implementing a wide range of resources that will directly connect with the Lodges and their members.

The change to the structure of the Board has brought about a positive focus on the issues that really matter for the Lodges and brethren, and has come from a journey started just over three years ago. Although the Board now meets more frequently, the costs have been reduced as the Board membership has reduced in size and meetings require minimal travel or accommodation.

Minimising costs and increasing performance has been our thrust, and the results are now starting to show.

“Minimising costs and increasing performance has been our thrust, and the **results are now starting to show.**”

Supporting our people

Although the process started three years ago, the investment to get the right people into the right positions, has started to pay dividends. Through a robust and transparent process, the appointment of Divisional Grand Masters by pre-selection workshops, meant that those who sought promotion were well prepared for the role. The same has applied to those seeking the position of District Grand Master, where candidates were assisted in understanding the role and given the tools that they would need when they commence their respective term.

The positive feedback from everyone who attended these has been encouraging, and we are now confident that our leaders in the Divisions and Districts are well able to lead and support the Lodges under their care.

Website development

The Grand Lodge website has been redeveloped and is now fresh and exciting and designed to be the public face of Freemasonry in New Zealand. It will continue to be the main site of Freemasons New Zealand, and will link to the three Divisional websites over the next few months.

The Divisional websites will be the first port of call for our members as they will be constructed to provide practical information designed for the brethren - to cover activities that are taking place in the Districts; to show the various Lodge workings; and to better encourage visiting. Our members are telling us that they want to know what is happening in local areas, so this will be an important resource for us all.

Online Toolbox

The new website has made access to information more achievable for our members with an increasing number now using the Toolbox to improve various parts of their masonic activities. As this is the window to Freemasonry in New Zealand, the bright and modern look has been encouraging.

Feedback from all of the Divisional Conferences has praised the Toolbox, with over 150 tools on a wide range of topics. This is a treasure trove for those who seek assistance and is already being widely used by our members. The Toolbox will continue to grow both with new resources and usage in the years ahead.

A number of Lodges and Districts have already taken the opportunity to focus on their future through planning and implementing some of these tools and has shown that members are taking ownership for their direction and success. Those who have engaged in this process are already showing rewards.

The introduction of wider education through the Education Pillar team has seen a number of well attended workshops held in some Districts, with quality publications and engagement.

Social media and magazine

Our greater use of social media is shown with regular posts on the topics that matter. We regularly feed into social media outlets such as Facebook and Twitter, with some activity in professional media such as LinkedIn. All of these assist in ensuring that Freemasonry is well promoted into the community with positive and engaging stories.

Providing a summary following each Board meeting by a short video presentation by the President, has been warmly received. We are very much aware that it is viewed internationally by other Freemasons jurisdictions, again with positive feedback. This approach will continue to

grow and was also recently used by the Grand Master to announce senior appointments, affording a timely and effective way of keeping our members well informed.

The Freemason magazine continues to be one of our primary modes of communication, and over the last three years has become a respected journal containing quality items that are of interest to our members and to the community at large. Notwithstanding the cost of producing the magazine, our members want to continue receiving it in hard copy, although it is interesting to see the increased access to the digital copy that is now available on the website. In time, this may become a major pathway for distributing the magazine.

Membership and engagement

We also recognise that some Lodges still continue to struggle with a reducing membership, but we sense a positive feeling of engagement and commitment by our brethren. Some Lodges are starting to grow in membership with a few now using other Lodges to assist in some of the Degree work, which in turn gives a struggling Lodge increased support.

While our membership numbers are still decreasing, there appears to be a slowing of attrition. Retention is more of a priority for Lodges than gaining new members, but as the fall off starts to smooth, we are confident that we will start to level out. The process is not an easy one, and requires Lodges and brethren to work diligently and to persevere in their efforts.

Divisional conferences

Attendance at the Divisional Conferences has also steadily increased, and there has been a noticeable engagement in debate and decisions that are of importance to our future. Over the last three years attendance by the Grand Master, Deputy Grand Master and President, has ensured that the views and opinions of members are heard and enacted on.

The Board continues to see these Divisional Conferences as an essential part of our annual activities, where every Lodge should be well represented.

The Board has also been focusing on empowerment to the Divisions so that they can take ownership for the Districts and Lodges. The national office provides the support, but we want our Divisions and Districts to take ownership of their future. The introduction of the National Leadership Team under the leadership of the chief executive, ensures that the three Divisional Grand Masters are engaged in the decision making process for implementing the policies of the Board.

"The Freemason magazine continues to be one of our primary modes of communication, and over the last three years has become **a respected journal containing quality items** that are of interest to our members and to the community at large."

Financial strength

This year, our accounts have been separated into two distinct statements. One is for Freemasons New Zealand, and the other is for The Freemasons Charity. This has been necessary to comply with the new financial reporting standards.

Extracts of financial performance for each entity are published within this report. Full financial statements and the independent auditor's reports can be downloaded from the Grand Lodge website www.freemasonsnz.org or can be obtained from the chief executive.

We have worked with our auditors to ensure that we are fiscally compliant with the reporting requirements, and also to ensure that we do not blur our statements to show information in a confusing manner. We have also sought legal advice on how we can better structure the business of Freemasons New Zealand. This early engagement for professional advice proved to be beneficial for us and made for an easy transition to the new financial reporting requirements.

Fiscal prudence

Freemasons New Zealand has lived within its means and has been fiscally prudent. This has come from a reduction in our overall expenditure, and an opportunity investment in developing our future leaders. Income has been well supported by the contribution that we get from The Heartland Bank Freemasons Deposit Scheme – which still requires further growth. We encourage our Lodges and brethren to support this scheme.

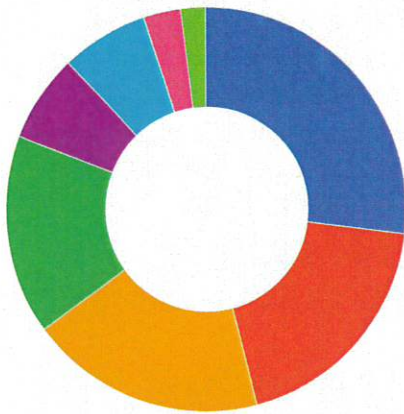
Our capitation fees have traditionally been set for three years in advance which has required some crystal ball gazing. A remit this year to change that to an increase based on CPI means that the Board must continue to be prudent in its expenditure, and also provides more certainty to Lodges when budgeting for their dues.

The Masonic Building Fund is now directly managed by the Board, but over the next twelve months we want to devolve access to this fund to the Divisional Grand Masters so that they can better support the Lodges where a case is made for funding.

This year Freemasons New Zealand reduced its debt to The Freemasons Charity by transferring three building loans to it. This refinancing was achieved on an arms-length basis and benefitted both entities. It will enable us to better record our finances within each separate set of accounts, and also to look at better financial support for strategic buildings. In achieving this, we have been able to reduce the interest rates payable by all properties, so this is a positive advantage for the management of our buildings.

We have more work yet to do in managing our finances with some hard decisions still to be made. How we manage our assets and protect them from risk is front of mind and will be looked at again over the next 12 months.

Craft development spending



27% Publicity, including promotional materials and displays, regional projects and administration

19% Website creation and hosting

19% NZ Freemason magazine

16% Lodge Development, including Strategic Pillar Committee meetings, attendance at Divisional Conferences, and District Seminars and provided material and resources

7% Grand Master visits, including travel and accommodation

7% Governance, including external financial and legal advice for the Board of General Purposes, implementation of strategic level changes to GLNZ corporate structure, and GLNZ Trustee meetings

3% Training, including courses for officers of Grand Lodge and grants to Research Lodges

2% Library, museum and heritage

Over the last 12 months, our income has come from these sources:

\$513,865 from capitation fees

\$286,086 from Brokerage Commission
(Freemasons Deposit Scheme)

\$398,559 from interest received

\$277,985 from other income; and

\$824,682 from rental income (Freemasons House)

Over the year, we decided to take a bold approach in that 100% of the brokerage commission plus interest (\$355,000) would be applied toward strengthening our fraternity for a sustainable future, and to build up some of our reserves where possible to encourage the development of Lodges and brethren.

It took some effort, but we achieved that outcome. With more work still to do, our achievement to date includes:

\$143,000 for Lodge renewal and development;

\$57,000 for the Freemason magazine;

\$90,000 for promotional costs;

\$17,000 in grants;

\$16,000 in tax;

and a modest surplus of **\$32,000**.

The Freemasons Charity

The project started last year to support the Blind Foundation, as the lead activity for our 125th Anniversary celebrations, and engaged all of the Lodges and the Districts. This success was greater than first anticipated and resulted in exceeding our target for the purchase of the Daisy Players, with sufficient additional money to provide the opportunity to increase the number of reading discs available for the blind. Our members are congratulated for their outstanding commitment to this project.

We also know that the brethren engaged well in this project. The Freemasons Charity provided each participating Lodge with a certificate to recognise their individual engagement.

This year also saw the introduction of The Freemasons Charity Management Committee established by the Board to oversee the activities of the Charity. This committee has been active in developing a new Constitution for the Charity, and aligning the processes by which the Charity will work with the Lodges in the years to come. This included the change from Grand Superintendent of The Freemasons Charity to the more realistic position of Grand Almoner who, along with the other members of the Charity Management Committee, are committed to ensuring that funds are well applied and the relationship with Freemasons New Zealand is strong and engaging.

This ensures that the Charity maintains its independence from Freemasons New Zealand.

Growing investments and donations

The role played by The Freemasons Charity in supporting our Lodges and our people has increased significantly. In 2007, the Charity had \$15,177,499 invested with its investment managers, but at the start of this year, that sum had grown to in excess of \$24 million. That in itself demonstrates the prudent management of the Charity resources, but even more stunning is the level of support that the Charity receives each year from our members. Notwithstanding the reduction in membership, donations from Lodges to The Freemasons Charity have increased from \$74,028 in 2013 to \$89,301 in 2016. This demonstrates that the Charity is being seen by the brethren to be active in providing benevolent activities that are valued by Lodges, and as the brethren appreciate the work of the Charity, they increase their level of donations to it.

On average, each year The Freemasons Charity spends:

\$100,000 assisting individuals in need;

\$300,000 helping Lodges with community projects;

\$120,000 in special community projects which
includes assisting our widows; and

\$250,000 with student scholarships.

The annual Freemasons University Scholarship programme continues as a flagship for the Charity and is highly respected within the education sector and other key audiences as well as by the students and their families.

Appreciations

With the conclusion of this year comes another round of change, but the journey started four years ago through the Strategic Plan, restructure of the Board, the establishment of the National Leadership Team, and the implementation of good training for our people, means that the journey will continue and the path remains unchanged.

Thanks must go to our Grand Master, John Litton, who has provided steady guidance and support as we worked through the process of change. Every Board member has been committed to achieving the very best for Freemasonry, have all given their time freely, and have always made decisions that have been well thought through. Our Executive Officers have been outstanding over the last few years, and again gave their time freely.

Maintaining the momentum is critical to our success and we are confident that the investment made in our people and our future, places us in a strong position for the road ahead. To everyone who has been a part of that journey – your contribution has been outstanding.

The small team of staff at our national office under the direction of the chief executive, have been outstanding for the year. Their commitment is appreciated by us all.

The Board will continue to work on membership, finances and communication as the core themes for the craft. At Lodge level, brethren need to also focus on these main concepts and to strive to attract new candidates. We all need to actively pursue the retention of existing members in supporting Freemasonry, to ensure Lodges are financially sound and, where buildings are owned, to consider all prudent opportunities to rationalise those potential liabilities. And finally, we all need to communicate our successes and good news both internally and externally so as to continue to build that camaraderie and fraternity that characterises Freemasonry.

“The Board will continue to work on membership, finances and communication as the core themes for the craft.”

Graham Wrigley
President, Board of General Purposes

The Freemasons Charity

Extract of

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2016

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

COMMENT:

The above deficit for this reporting year includes the Unrealised Capital Loss on portfolio investments of \$505,958 resulting from the volatility in international share markets occurring on Britain's decision to exit the European Union. The share markets recovered shortly after the reporting date.

NOTES:

- The foregoing financial information has been extracted from the full financial statements for the reporting entities Freemasons New Zealand and The Freemasons Charity.
- Financial statements have been prepared in accordance with generally accepted accounting principles and transitioned on 1 July 2015 from the preparation of general purpose financial reporting in accordance with New Zealand generally accepted accounting practice ("NZ GAAP") to PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit).
- A full set of financial statements, and the Auditors Report are included with the Voting Papers sent to the official Lodge Voting Delegates to Grand Communication.
- The full financial statements and Auditors Report are available for viewing or download at www.freemasons.nz.org

Extract of

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2016

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

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: 20th October 2016



Grand Treasurer

Date: 20th October 2016

Freemasons New Zealand

Extract of

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2016

	2016	2015
	\$	\$
INCOME		
Brokerage Commission Received	286,086	380,264
Capitation Fees	513,865	512,455
Interest Received	398,559	390,421
Other Income	277,985	365,208
Rental Revenue	824,682	1,055,525
	2,301,177	2,703,873
EXPENDITURE		
Audit Fees	23,478	19,708
Other Administrative Expenses	1,105,398	979,960
Other Building Expenses	715,722	636,861
Mortgage Interest	444,125	471,750
Grants	16,812	8,500
	2,305,535	2,116,779
Operating surplus/(deficit) before tax	(4,358)	587,094
Taxation	(16,869)	-
Operating Surplus/(deficit) after tax	(21,227)	587,094
Unrealised Gain/(loss) on Freemason House	(50,000)	320,000
Unrealised Gains/(Losses)	(50,000)	320,000
Surplus/(Deficit) for the year	(71,227)	907,094

Extract of

STATEMENT of FINANCIAL POSITION

For the year ended 30 June 2016

	2016	2015
	\$	\$
CURRENT ASSETS		
Cash on Hand	200	200
Bank Accounts	5,304,603	5,159,232
Accounts Receivable	158,445	135,179
Taxation Receivable	98,844	60,398
Building Fund Loans	333,806	372,797
Stock on Hand	63,635	63,537
Total current assets	5,959,533	5,791,343
NON CURRENT ASSETS		
Investment Property	6,050,000	6,100,000
Investments	891,748	891,748
Plant & Equipment	314,853	379,625
Accounts Receivable	12,000	-
Building Fund Loans	1,306,808	4,214,477
Total non-current assets	8,575,409	11,585,850
TOTAL ASSETS	14,534,942	17,377,193
CURRENT LIABILITIES		
Accounts Payable	63,072	92,613
Employee Entitlements	65,253	85,481
Total current liabilities	128,325	178,094
NON CURRENT LIABILITIES		
<i>Freemason House</i>		
Mortgage to The Freemasons Charity	5,775,000	8,500,000
Total non-current liabilities	5,775,000	8,500,000
TOTAL LIABILITIES	5,903,325	8,678,094
NET ASSETS	8,631,617	8,699,099
ACCUMULATED FUNDS		
Retained Earnings	8,631,617	8,699,099
TOTAL ACCUMULATED FUNDS	8,631,617	8,699,099



From the Grand Master elect

The principles upon which Freemasonry is based are as relevant today as they were in 1890 when the Grand Lodge of New Zealand was established. Perseverance, honesty, integrity, knowledge, leadership - we have a product that still has value and relevance to modern society. Our mission, as the present day custodians of Freemasonry, is to properly promote this product to men of calibre, and to do so in a way which will appeal to their finer qualities.

As an organisation, we need to recognise the environment in which we operate is ever-changing. Average life spans are increasing – people have more time in their retirement years for activities that are enjoyable and which add value back into a community – they are looking for an organisation where they can have fun amongst like-minded individuals, where our partners and families can play an active role; and where they can enjoy some of the finer qualities of life.

The growth of Freemasonry as we proceed into the future will rely upon brethren and Lodges talking to members of the public about the many good things that make up our organisation, and doing so in a manner which is confident, positive, clear and concise.

As this report demonstrates, the management of the craft is in good hands, and will continue to provide a firm foundation for the organisation, however the focus must now come onto each and every member of our Lodges to promote Freemasonry to non-masons in plain English, and by raising the profile of the craft in this way, the Lodges will attract and retain members who enjoy the fun, the camaraderie, and the support delivered by their Lodges.

We are a modern organisation and we will retain our traditions and our integrity as they are as relevant today as ever. The people best able to promote Freemasonry are our members, our partners, and the wider masonic family who know and understand the powerful good that the organisation has brought to New Zealand for over 125 years.

Together, we will continue that tradition.

“...they are looking for an organisation where they can have fun amongst like-minded individuals, where our partners and families can play an active role; and where they can **enjoy some of the finer qualities of life.**”

Mark Winger
Grand Master elect



Freemasons New Zealand

195/201 Willis St, Te Aro, Wellington 6011, New Zealand
PO Box 6439, Marion Square, Wellington 6141, New Zealand
+64 4 385 6622
www.freemasons.nz.org