



# **Freemasons New Zealand**

## **Special Purpose Financial Statements**

**For the year ended 30 June 2023**

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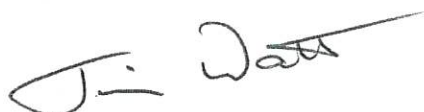
**Freemasons New Zealand****Special Purpose Statement of Financial Performance  
For the Year Ending 30 June 2023**

	2023 \$	2022 \$
<b>Revenue</b>		
Brokerage Commission Received	271,792	220,774
Capitation Fees	448,403	447,896
Interest Received	492,078	141,402
Other Income	1,108,139	323,828
<b>Total Revenue</b>	<b>2,320,412</b>	<b>1,133,900</b>
<b>Expenses</b>		
Audit Fees	29,778	23,497
Bad Debts	-	(78,000)
Depreciation	11,919	14,101
Interest Paid	-	15,302
Other Administrative Expenses	1,789,641	1,222,901
<b>Total Expenses</b>	<b>1,831,338</b>	<b>1,197,799</b>
 <b>Operating surplus/(deficit) before tax</b>	 <b>489,074</b>	 <b>(63,899)</b>
Taxation	49,174	-
 <b>Surplus/(Deficit) for the year</b>	 <b>439,900</b>	 <b>(63,899)</b>

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

General Fund	(43,104)	(221,501)
Freemasons Property	-	-
Building Fund	483,005	157,603
	<b>439,900</b>	<b>(63,899)</b>

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



MW Bro J Watt, Grand Master



VW Bro M Cadman, Grand Treasurer

Date: 25th October 2023

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



## Freemasons New Zealand

### Special Purpose Statement of Financial Position

As at 30 June 2023

	Note No.	2023 \$	2022 \$
<b>Current Assets</b>			
Bank Accounts	1	2,953,441	2,741,782
Accounts Receivable & Prepayments	2	437,171	134,639
Taxation Receivable	4	-	23,407
Stock on Hand		21,766	16,588
<b>Total Current Assets</b>		<b>3,412,378</b>	<b>2,916,416</b>
<b>Non Current Assets</b>			
Building Fund Loans to Lodges	3	2,656,173	2,737,781
Investments	3	1,591,748	1,591,748
Investment Property	3	265,000	265,000
Property, Plant & Equipment	6	132,451	142,415
Mortgage	3	3,000,810	3,000,000
<b>Total Non Current Assets</b>		<b>7,646,183</b>	<b>7,736,944</b>
<b>Total Assets</b>		<b>11,058,561</b>	<b>10,653,360</b>
<b>Current Liabilities</b>			
Accounts Payable	5	120,308	163,219
Employee Entitlements	9	38,835	39,318
Taxation Payable	4	28,839	-
Business Cards	5	5,682	5,826
Grand Master Relief Fund	5	-	19,999
<b>Total Current Liabilities</b>		<b>193,664</b>	<b>228,362</b>
<b>Total Liabilities</b>		<b>193,664</b>	<b>228,362</b>
<b>Net Assets</b>		<b>10,864,898</b>	<b>10,424,998</b>
<b>Accumulated Funds</b>			
Accumulated funds and reserves as at 1 July		10,424,998	10,488,897
Surplus for the year		439,900	(63,899)
<b>Total Accumulated Funds</b>		<b>10,864,899</b>	<b>10,424,998</b>

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



## Special Purpose Statement of Accounting Policies For the Year Ending 30 June 2023

### Reporting Entity

Freemasons New Zealand is governed by the Grand Lodge of Antient, Free & Accepted Masons of New Zealand, 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: 0.25% per annum is paid by Heartland Bank for total deposits held in the Freemasons Deposit Scheme. This is received monthly and recorded on an accrual basis. In October 2019 the rate was reduced to 0.2% per annum
- iii) Capitation Fees: Fees are invoiced on 1st July to the individual lodges on an annual 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 - This entity is subject to taxation on revenue earned from external sources.

#### (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 (and secured) 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) Investment Property

Investment property is recognised as an asset, when and only when

- it is probable that the future economic benefits or service potential that is associated with the investment property will flow to Freemasons New Zealand
- the cost or fair value of the investment property can be measured reliably.

Investment property is measured initially at cost, including relevant transaction costs. After initial recognition, the investment property is measured at fair value, with gains and losses being recognised in surplus and deficit in the period in which it arises.

Revaluations are to be made with sufficient regularity to ensure that the carrying amount is not materially different from fair value. At a minimum, a revaluation will be undertaken every 5 years, or more frequently, to ensure that the carrying amount is not materially different from fair value at each balance date.

#### (k) 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.)

#### (l) 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.

#### (m) 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.

#### (n) Comparative Figures

Certain comparative figures have been reclassified for disclosure purposes.



Notes to the Special Purpose Financial Statements  
For the Year Ending 30 June 2023

Analysis of Assets and Liabilities

	2023	2022
	\$	\$
<b>Note 1: Bank Accounts</b>		
<b>ANZ Bank</b>		
Current Account	185,507	72,072
<b>Heartland</b>		
General/Current Account	403,419	31,476
Building Fund	164,957	503,405
Special Reserve Fund	2,199,558	2,114,830
Grand Master Relief Fund	-	19,999
<b>Total Bank</b>	<b>2,953,441</b>	<b>2,741,782</b>

**Note 2: Accounts Receivable**

Receivables from Lodges	405,309	70,557
Receivables LNI Masonic Holdings Limited Partnership	-	11,250
Receivables GST	(8,021)	16,503
Brokerage Fee Accrued	23,759	34,584
Prepayments	16,124	1,745
<b>Total Current Receivables</b>	<b>437,171</b>	<b>134,639</b>

**Note 3: Investments, Investment Property, Loans & Mortgages**

Building Fund Loans to Lodges Current	2,656,173	2,737,781
Building Fund Loans to Lodges Non-Current	-	-
Investment Property	265,000	265,000
Shares Masonic Hall Companies	1,591,748	1,591,748
Mortgage for LNI	3,000,810	3,000,000
<b>Total Investments, Loans &amp; Mortgages</b>	<b>7,513,731</b>	<b>7,594,529</b>

The investment property is carried at its fair value as at June 2023 of \$265,000.

**Note 4: Taxation**

<b>Tax Expense</b>		
Net Surplus Before Tax	489,074	(63,899)
Non Assessable Income & Other Deductions	(1,921,369)	(800,714)
Non Deductible Expenses	1,660,539	841,120
<b>Taxable income (loss) for year</b>	<b>228,244</b>	<b>(23,493)</b>

<b>Tax Payable at Individual Rates Based on Annualised Income</b>	49,174	-
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<b>Tax Liability</b>		
Opening Balance	(23,407)	(17,936)
Plus Current Year Tax Expense	49,174	-
Tax Refunds Received	17,936	-
Tax paid during the year	(14,864)	(5,471)
<b>Closing Balance</b>	<b>28,839</b>	<b>(23,407)</b>

<b>Tax paid during the year</b>		
RWT Credits	14,864	5,471
<b>Closing Balance</b>	<b>14,864</b>	<b>5,471</b>

<b>Tax Refund Due (Payable)</b>		
Per Tax Reconciliation	(34,310)	5,471
Tax (paid) / received after balance date	5,471	17,936
<b>Closing Balance</b>	<b>(28,839)</b>	<b>23,407</b>



## Freemasons New Zealand

### Notes to the Special Purpose Financial Statements For the Year Ending 30 June 2023

#### Analysis of Assets and Liabilities Continued

	2023	2022
	\$	\$
<b>Note 5: Accounts Payable and Prepayments</b>		
Accounts Payable, Accruals, Monies in Advance	120,308	163,219
Business Cards	5,682	5,826
	<u>125,990</u>	<u>169,045</u>
Grand Master Relief Fund to be paid out	-	19,999
	<u>-</u>	<u>19,999</u>

#### Note 6: Property, Plant and Equipment

	Cost 30/06/2022	Accumulated Depreciation 30/06/2022	Opening Book value 1/07/2022	Additions/ (Disposals)	Depreciation	Cost 30/06/2023	Accumulated Depreciation 30/06/2023	Closing Book Value 30/06/2023
Computer/Office Equipment	36,450	27,046	9,404	3,586	7,250	40,036	34,296	5,740
Furniture & Fittings	47,575	43,437	4,138	-	2,097	47,575	45,535	2,040
Library & Museum	42,138	37,210	4,928	-	2,545	42,138	39,754	2,384
Regalia & Jewels	118,935	-	118,935	-	-	118,935	-	118,935
Trade Mark	5,010	-	5,010	(1,630)	28	3,380	28	3,352
	<u>250,108</u>	<u>107,693</u>	<u>142,415</u>	<u>1,956</u>	<u>11,920</u>	<u>252,064</u>	<u>119,613</u>	<u>132,451</u>

#### Note 7: Operating Lease Commitments

	2023	2022
	\$	\$
<b>Photocopier</b>		
Within One Year	6,437	6,437
One - Two Years	536	536
Two - Five Years	-	-
	<u>6,973</u>	<u>6,973</u>

Lease expenses for the year are \$7,080 (2022: \$7,080).

#### Note 8: Related Party Transactions

	2023	2022
	\$	\$
<b>Transactions between Freemason New Zealand and The Freemason Charity</b>		
Administration fee	125,000	100,018
The Freemasons Property Loan	0	0
<b>Transactions between Freemason New Zealand and associated Trusts</b>		
Administration fee Potter Trust	110,000	25,000
Administration fee Hugh Rankin Education Trust	8,500	7,500
Administration fee Lawson-Smith Freemasons Education Trust	7,652	5,000

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



**Analysis of Assets and Liabilities Continued**

	2023	2022
	\$	\$
<b>Note 9: Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Loans and receivables</b>		
Cash	2,953,441	2,741,782
Accounts receivable	437,171	134,639
Building Fund loans	5,921,983	2,737,781
Investments	1,591,748	1,591,748
	<u>10,904,343</u>	<u>7,205,950</u>
<b>Financial Liabilities</b>		
Accounts Payable	125,990	189,044
Employee Entitlements	38,835	39,318
	<u>164,825</u>	<u>228,362</u>

**Note 10: Contingent Liabilities and Commitments**

There were no contingent liabilities or commitments notes as at 30 June 2023 (2022: \$Nil).

**Note 11: Subsequent Events Notes**

There are no subsequent events as at 30 June 2023



## Independent Auditor's Report

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To the Members of Freemasons New Zealand

### Report on the Audit of the Special Purpose Financial Statements

#### Opinion

We have audited the special purpose financial statements of Freemasons New Zealand on pages 3 to 8 which comprise the Special Purpose Statement of Financial Position as at 30 June 2023, and the Special Purpose Statement of Financial Performance, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly in all material respects, the financial position of Freemasons New Zealand as at 30 June 2023, and of its financial performance for the year then ended, in accordance with Special Purpose Financial Reporting Framework For-Profit-Entities ("the framework") issued by Chartered Accountants Australia and New Zealand (CAANZ).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board (NZAASB). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of Freemasons New Zealand in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the NZAASB, 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 our capacity as auditor, we have no other relationship with, or interest in, Freemasons New Zealand.

#### Emphasis of matter

We draw attention to special purpose statement of accounting policies of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared in accordance with the special purpose framework, and therefore may not be suitable for any other purpose. Our report is intended solely for the members of Freemasons New Zealand and should not be distributed to or used by parties other than Freemasons New Zealand. Our opinion is not modified in respect of this matter.

#### Information other than the performance report and auditors report thereon

The Board Members are responsible for the other information. The other information comprises the information contained on pages 9 to 11 of the special purpose financial statements but does not include the special purpose financial statements and our audit report thereon.

Our opinion on the special purpose financial statements does not cover the other information and we do not express any form of audit opinion thereon.

In connection with our audit of the special purpose financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the special purpose financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Board Members' Responsibilities for the Special Purpose Financial Statements**

The Board Members are responsible on behalf of Freemasons New Zealand for the preparation and fair presentation of these special purpose financial statements in accordance with the framework and for such internal control as the Board Members determine is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the Board Members are responsible on behalf of Freemasons New Zealand for assessing Freemasons New Zealand 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 Board Members either intend to liquidate Freemasons New Zealand or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the Audit of the Special Purpose Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are 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) 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 these special purpose financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

#### **Restriction on use of our report**

This report is made solely to the Freemasons New Zealand's members as a body. Our audit work has been undertaken so that we might state to the members of Freemasons New Zealand as a body, those matters which we are required to state to them in an auditor's 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 members of Freemasons New Zealand as a body, for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited**



**Z Zuber**

**Director**

**Wellington**

**25 October 2023**