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**AUCKLAND DISTRICT MANCHESTER UNITY**

**FRIENDLY SOCIETY**

**FINANCIAL STATEMENTS**

**FOR THE TEN MONTHS ENDED 31 MARCH 2013**

**AUCKLAND DISTRICT MANCHESTER UNITY FRIENDLY SOCIETY**

**FINANCIAL STATEMENTS**

**FOR THE TEN MONTHS ENDED 31 MARCH 2013**

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AUCKLAND DISTRICT MANCHESTER UNITY FRIENDLY SOCIETY

Statement of Financial Position  
As at 31 March 2013

	Notes	31 March 2013	31 May 2012
<b>Current Assets</b>			
Cash at Bank		-	86,616
Term Deposits		-	275,344
Sundry Debtors & Prepayments		-	5,158
Mortgage Advances to Members		-	147,881
GST Receivable		-	-
<b>Total Current Assets</b>		-	<b>514,998</b>
<b>Non Current Assets</b>			
Mortgages to Members	5	-	-
Investments		-	-
<b>Total Non Current Assets</b>		-	-
<b>TOTAL ASSETS</b>		<b>\$Nil</b>	<b>\$ 514,998</b>
<b>Members Funds and Reserves</b>			
General Reserve		-	414,773
Benevolent Fund		-	74,299
Fraternal Fund		-	997
Dissolution Fund		-	10,862
<b>Total Members Funds and Reserves</b>		-	<b>500,931</b>
<b>Current Liabilities</b>			
Sundry Creditors		-	9,761
Provision for Holiday Pay		-	4,305
<b>Total Current Liabilities</b>		-	<b>14,066</b>
<b>TOTAL MEMBERS FUNDS, RESERVES AND LIABILITIES</b>		<b>\$Nil</b>	<b>\$ 514,997</b>

The accompanying notes form part of these Financial Statements

For and on behalf of the District Management Committee and Trustees:

	Trustee	26/4/13	Date
K.G. BRENNAN			
	Trustee	26/4/13	Date
J.E. FITZGERALD			
	Trustee	26/4/13	Date
P.D. PLATT			

AUCKLAND DISTRICT MANCHESTER UNITY FRIENDLY SOCIETY

STATEMENT OF COMPREHENSIVE INCOME  
For the Ten Months Ended 31 March 2013

<u>GENERAL FUND</u>	Notes	31 March 2013	31 May 2012
Retained Fund (brought forward)		414,773	446,984
Net Surplus/(Deficit)	3	(16,861)	(3,441)
Transfers to Benevolent Fund		(8,235)	-
Transfer to Dissolution Expenses Fund	11	(1,175)	-
Final Dissolution Distribution	9	(388,501)	(28,770)
<b>RETAINED GENERAL FUND</b>		<b>\$Nil</b>	<b>\$ 414,773</b>

<u>BENEVOLENT FUND</u>		31 March 2013	31 May 2012
Retained Fund (brought forward)		74,299	69,023
Transfers from General Fund		8,235	-
Transfer from Fraternal Fund		641	-
Balance before Income and Expenses		83,175	69,023
<u>Income</u>			
Contributions Received		14,860	11,703
Grants from Society		3,000	5,700
<b>Total Income</b>		<b>17,860</b>	<b>17,403</b>
<u>Expenses</u>			
Grants to Members		(11,581)	(12,127)
Distributions to Lodges	10	(89,453)	-
<b>Total Expenses</b>		<b>(101,035)</b>	<b>(12,127)</b>
Net Surplus/(Deficit)		(83,175)	5,276
<b>RETAINED BENEVOLENT FUND</b>		<b>\$Nil</b>	<b>\$ 74,299</b>

<u>FRATERNAL FUND</u>		31 March 2013	31 May 2012
Retained Fund (brought forward)		997	1,756
<u>Income</u>			
Grant from Calliope Lodge		200	200
<b>Total Income</b>		<b>200</b>	<b>200</b>
<u>Expenses</u>			
Promotion and Grants to Lodges		(556)	(959)
<b>Total Expenses</b>		<b>(556)</b>	<b>(959)</b>
Net Surplus/(Deficit)		(356)	(759)
Transfers to Benevolent Fund		(641)	-
<b>RETAINED FRATERNAL FUND</b>		<b>\$Nil</b>	<b>\$ 997</b>

The accompanying notes form part of these Financial Statements

**AUCKLAND DISTRICT MANCHESTER UNITY FRIENDLY SOCIETY**

	Notes	31 March 2013	31 May 2012
<b><u>DISSOLUTION EXPENSES FUND</u></b>	11		
Retained Fund (brought forward)		10,862	12,346
Transfers from General Fund		1,175	-
		<u>12,037</u>	<u>12,346</u>
<b><u>Expenses</u></b>			
Dissolution Distribution Expenses	6	(12,037)	(1,484)
<b>Total Expenses</b>		<u>(12,037)</u>	<u>(1,484)</u>
<b>RETAINED DISSOLUTION EXPENSES FUND</b>		<u>\$Nil</u>	<u>\$ 10,862</u>

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**STATEMENT OF CHANGES IN MEMBERS FUNDS AND RESERVES**  
For the Ten Months Ended 31 March 2013

	Notes	31 March 2013	31 May 2012
Members Funds and Reserves (brought forward)		500,931	530,109
<b><u>Net Profit/(Loss)</u></b>			
General Reserve		(16,861)	(3,441)
Benevolent Fund		(83,175)	5,276
Fraternal Fund		(356)	(759)
Dissolution Expenses Fund		(12,037)	(1,484)
Final Dissolution Distribution	9	(388,501)	(28,770)
<b>Total Recognised Income &amp; Expenses</b>		<u>(500,931)</u>	<u>(28,178)</u>
<b>TOTAL MEMBERS FUNDS AND RESERVES</b>		<u>\$Nil</u>	<u>\$ 500,931</u>

The accompanying notes form part of these Financial Statements

**AUCKLAND DISTRICT MANCHESTER UNITY FRIENDLY SOCIETY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the Ten Months Ended 31 March 2013

**1. STATEMENT OF ACCOUNTING POLICIES**

**Reporting Entity**

The Auckland District Manchester Unity Friendly Society is a friendly society incorporated under the Friendly Societies and Credit Unions Act 1982.

The financial statements are a general purpose report which have been prepared in accordance with the Financial Reporting Act 1993.

**Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Friendly Society, with the exception that certain assets have been re-valued.

**Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

**Sundry Debtors**

Sundry Debtors are stated at estimated realisable value.

**Mortgages**

Mortgages are stated at the lower of cost and net realisable value. A provision is made against individual mortgages where recovery is considered to be in doubt. Individual debts are written off each year when recovery is considered to be no longer cost effective and there is no reasonable expectation of recovery.

**Income Tax**

No amounts have been provided for or credited by way of taxation as the Friendly Society is exempt under Section CW 44 (a) of the Income Tax Act 2007.

**Differential Reporting**

The Friendly Society qualifies for differential reporting as it is not publicly accountable and due to its size. The Friendly Society has taken advantage of all available differential reporting exemptions.

**Changes in Accounting Policies**

There have been no material changes in accounting policies which have been applied on bases consistent with those used in previous years.

**2. DISSOLUTION OF THE AUCKLAND DISTRICT**

At the Special District Conference of the Auckland District Manchester Unity Friendly Society on 29 September 2012 it was resolved to sign the instrument of dissolution of the Auckland District Manchester Unity Friendly Society.

These financial statements for the ten month period to 31 March 2013 are the final financial statements of the Auckland District Manchester Unity Friendly Society. The comparative figures are for the year ended 31 May 2012.

**3. GENERAL FUND NET PROFIT/(LOSS)**

	Notes	31 March 2013	31 May 2012
<b>Income</b>			
Interest - Mortgages		4,293	13,802
Lodge Levies		1,776	17,175
Interest Received - Bank		6,455	12,659
Dividend Income		-	5,065
Gain on Sale of Shares - Telecom		-	7,952
Other Income		6,212	8,005
<b>Total Operating Income</b>		<b>18,736</b>	<b>64,658</b>
<b>Less Expenses</b>			
Audit Fees		5,768	5,476
GST Expense		1,354	1,809
Salaries	6	6,262	18,510
Provision for Ongoing Expenses	4	11,292	-
Honorariums	6	-	850
Loss on Disposal of Shares - Contact		-	10,715
Other Expenses		10,921	30,739
<b>Total Operating Expenses</b>		<b>35,597</b>	<b>68,099</b>
<b>NET PROFIT/(LOSS)</b>		<b>(16,861)</b>	<b>(3,441)</b>

**4. PROVISION FOR ONGOING EXPENSES**

The District had several obligations past the date of winding up including records storage and the cost of running the afternoon lodge for three years. The budgeted amount of the cost of these obligations has been paid to the Loyal Hunua Lodge. The Loyal Hunua Lodge which is holding this money in a separate bank account has agreed to discharge these obligations to the extent of the monies provided.

**5. MEMBERS MORTGAGES**

The Auckland District of the Friendly Society had made advances to members secured by first Mortgages. The remaining mortgage investment was advanced to a member bearing an interest rate of 9.00%.

	2013	2012
Owed by Members Opening Balance	147,881 \$	157,849
Interest Receivable Charged	4,293 \$	13,802
Repayments Received	(152,174) \$	(23,770)
Owed by Members at the end of the year	\$ -	\$ 147,881

Investments are stated at fair value which equates to market value at balance date

An impairment review performed during the period did not identify any impairment losses (2012 Nil). Last year there was one mortgage advance at balance date. It was classified as a current asset in the Statement of Financial Position. The mortgage advance was repaid in September 2012

**6. TRANSACTIONS WITH RELATED PARTIES**

The District Secretary, Alex Robinson, was paid a salary in his capacity of District Secretary and his wife was paid a salary for administrative assistance. These salaries were paid for the four months to 30 September 2012. Salaries paid were the same monthly rate as the previous year and are at market rates for the services provided by them. For the final six months period to the completion of the District dissolution Alex Robinson and his wife were paid an amount of \$10,000. The salaries paid are disclosed at Note 3. The winding up salary payment of \$10,000 is included in the Dissolution Expenses Fund on page 5 of these financial statements.

Holiday pay for annual leave accumulated as a liability in the previous financial year amounting to \$4,305 was paid during this financial year.

No honorarium payments were made to the Trustees and Treasurer during the final ten month period. An honorarium was paid to them in the previous financial year for the services provided by them.

The Lodges within the Auckland District geographic boundaries paid management levies of \$1,776 and a \$200 accounting fee to the Auckland District. (\$18,378 to 31 May 2012)

The mortgage advance to and interest received from a member is disclosed in Note 5.

All related party transactions are made on normal terms for the Auckland District of the Friendly Society. No related party balances were written off or forgiven during the ten months to 31 March 2013. (\$0 31 May 2012)

**7. CAPITAL COMMITMENTS**

The Auckland District had no capital commitments at 31 March 2013 (\$0 31 May 2012).

**8. CONTINGENT LIABILITIES**

The Auckland District had no contingent liabilities at 31 March 2013 (\$0 31 May 2012).

**9. MEMBERS DISTRIBUTIONS**

At the 2009 combined lodges District Conference it was agreed that the Auckland District was to be wound up over the following three years with funds being repaid to members who were financial as at 1 June 2009. During the year to 31 May 2010 a distribution was paid to members aged over 80 and to the estates of members who died since 1 June 2009. During the years to 1 June 2011 and 1 June 2012 further distributions were paid to members attaining the age of 80 and to the estates of members who predeceased this age during the year.

A final winding up distribution was paid to all remaining members during the final ten month period following 1 June 2012.

**10. BENEVOLENT FUND DISTRIBUTION TO LODGES**

The undistributed Benevolent Fund monies have been paid out to the Lodges on a pro rata basis according to their Lodge membership as at 1 June 2012. The monies due to the Loyal Waikato Lodge were paid into the nominated bank account with Manchester Unity Friendly Society, as that lodge has consolidated with Manchester Unity Friendly Society.

**11. DISSOLUTION EXPENSES FUND**

The Trustees established a special fund to provide for the expected costs of Dissolving the Auckland District. Transfers were made from the General Fund to the Dissolution Expenses Fund as required each year until the Auckland District was dissolved.

## **Audit Report to the Members of Auckland District Manchester Unity Friendly Society**

### **Report on the Financial Report**

We have audited the financial report of Auckland District Manchester Unity Friendly Society on pages 3 to 7, which comprises the Statement of Financial Position as at 31 March 2013, the Statement of Comprehensive Income, and the Statement of Changes in Members Funds and Reserves for the ten months then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Districts Trustees approval.

### **District Management Committee and District Trustees Responsibility for the Financial Report**

The District Trustees and the Management Committee of the Auckland District of Manchester Unity Friendly Society are responsible for the preparation of the financial report that gives a true and fair view in accordance with generally accepted accounting practice in New Zealand and for such internal control as the District Trustees and the Management Committee of the Auckland District determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibilities**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial report 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 Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the District Trustees and Management Committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we have no relationship with, or interests in, Auckland District Manchester Unity Friendly Society.

**Sydney  
Melbourne  
Brisbane  
Perth  
Adelaide  
Auckland**

### **Auditors' Opinion**

We have obtained all the information and explanations we have required.

In our opinion, the financial report on pages 3 to 7:

- complies with generally accepted accounting practice in New Zealand; and
- gives a true and fair view of the financial position of Auckland District Manchester Unity Friendly Society as at 31 March 2013 and the results of its operations for the ten months ended on that date.

### **Report on Other Legal & Regulatory Requirements**

In accordance with the requirements of; section 16(1) (e) of the Financial Reporting Act 1993 and section 60(1)(a) of the Friendly Societies and Credit Unions Act 1982, we report that:

- in our opinion, proper accounting records have been kept by Auckland District Manchester Unity Friendly Society as far as appears from an examination of those records.

In accordance with the requirements of the Friendly Societies and Credit Unions Act 1982 we report that in our opinion:

- a satisfactory system of control over transactions has been maintained by Auckland District Manchester Unity Friendly Society in accordance with section 60(1)(b) and section 60(4) of the Friendly Societies and Credit Unions Act 1982; and
- the financial statements on pages 3 to 7, are in agreement with the accounting records of the Friendly Society and comply with requirements of with section 60(2) of the Friendly Societies and Credit Unions Act 1982.

### **Restriction on distribution or use**

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



**William Buck Christmas Gouwland**  
26 April 2013

**21 Queen Street**  
**Auckland 1010**  
**New Zealand**