



Annual return – Friendly society

Friendly Societies and Credit Unions Act 1982

Name of friendly society

Christchurch United Friendly Societies Dispensary

Organisation number

1803006

Financial year ended

30 /04 /2020

Name of branch (where applicable)

IMPORTANT

- › This form is used for friendly societies, benevolent societies and fidelity insurance societies, registered under Part II of the Friendly Societies and Credit Unions Act 1982 ('the Act'). A separate form is available for UFS dispensaries and working men's clubs registered under the Act.
- › Section 70 of the Act requires you to file the annual return, duly completed, together with a copy of your financial statements and audit report (where applicable), within 3 months of the end of the financial year of your society or branch.

A. Names and addresses of officers

As at the date of the return; continue on a separate sheet if necessary

	Name	Residential address
Committee of management	Ingrid R Taylor	16 Memorial Avenue, Christchurch
	Ernest E McNicoll	501/50 Kilmore Street, Christchurch
	Stanley J Smith	58A Teesdale Street, Christchurch
	Malcolm E Taylor	17 Petworth Place, Christchurch
	Peter J Doody	14 Brackendale Street, Christchurch
Trustees	Ingrid R Taylor	16 Memorial Avenue, Christchurch. Trustee
	Malcolm E Taylor	17 Petworth Place, Christchurch. Trustee
	Peter J Doody	14 Brackendale Street, Christchurch. Trustee
Secretary	Stanley J Smith	58A Teesdale Street, Christchurch
Treasurer	Stanley J Smith	58A Teesdale Street, Christchurch

B. Membership

Total number of members at beginning of year

2876

Number who joined during year

0

Number who died during year

161

Number who left during year

0

Total number of members at end of year

2715

Name of friendly society

Christchurch United Friendly Societies Dispensary

Organisation number

1803006

C. Organisation addresses

Address of registered office

This must be a physical address in New Zealand and must not be a PO Box or Private Bag address

58A Teesdale Street, Burnside, Christchurch. 8053

Postal address for communication

Postal address (e.g. PO Box) to which communications from the Registrar may be sent

58A Teesdale Street, Burnside, Christchurch. 8053

Email address for communication

The Registrar may contact the society via email – this email address will not be publicly available

[Redacted email address]

D. Financial statements and auditor's report

Please select 1 of the following options:

- A signed copy of the financial statements and auditor's report (where applicable) are enclosed because the society/branch is;
 - an FMC reporting entity/ issuer (section 61); or
 - a specified not-for-profit (section 62).

OR

- Financial statements have not been prepared because the society/branch has opted out in accordance with section 64.

OR

- Financial statements and auditor's report (where applicable) have been prepared in accordance with this society's rules.

E. Certification

I certify that the particulars of this annual return are correct.

Signature of Secretary or Treasurer

Date: 05/08/2020

Form completed by:

Name: Stanley James Smith

Address:
58A Teesdale Street, Burnside,
Christchurch. 8053

[Redacted]

[Redacted]

Fax number (if any): None

Christchurch United Friendly Societies Dispensary

Special Purpose Annual Report and Financial Statements

For the Year Ended 30 April 2020

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Christchurch United Friendly Societies Dispensary Notice of Meeting

As at 30 April 2020

Notice is hereby given that the Annual Meeting of
the General Committee will be held
in the Philatelic Centre, 67 Mandeville Street, Riccarton, Christchurch,
on Thursday 27 August 2020 at 7.30pm.

Order of Business

1. Roll Call
2. Apologies
3. Minutes
4. Correspondence
5. Consideration of Annual Report
6. Consideration of Special Purpose Financial Statements
7. To consider and if thought fit, pass the following recommendation of the Board –

7.1 That Rule 26 the Dispensary be replaced with the following:

DISSOLUTION

(a) The Dispensary may be dissolved by the consent of not less than 75 percent of the Members (including honorary members if any) testified by two trustees signatures from each shareholding lodge to an instrument of dissolution.

(b) Following the registration of an instrument of dissolution if any Member of the Dispensary or any person claiming any relief, annuity or benefit from the funds of the Dispensary is dissatisfied with the provision made for satisfying their claim, they may within 3 months of the period referred to in s94(6) of the Act apply to any Court of competent jurisdiction and the Court to which the application is made may hear and determine the matter.

7.2 (a). That the Dispensary be dissolved and all remaining capital distributed to shareholding lodges pursuant to their shareholding less any costs of dissolution.

7.2.(b) An instrument of dissolution be prepared and forwarded to Lodges for them pass the required resolution pursuant to 7.1 (a) above then then to obtain the signatures of two trustees from each shareholding lodge and register the same pursuant to the Friendly Societies and Credit Unions Act.

Rationale: At the 2019 AGM, the Board was asked to investigate the winding up of the Dispensary and the distribution of capital back to shareholding lodges. The Board's investigations confirmed that free scripts were being offered all year round by several chemists and shop lines were regularly discounted.

The Sydenham Pharmacy have offered to continue the current discount arrangement with existing customers. There is no need to retain the dispensary as its purpose is being met by other pharmacies in Christchurch.

8. Election of Officers
 - President
 - Vice President
 - Secretary/Treasurer
 - One Trustee (Bro P J Doody retires by rotation and being eligible offers himself for re-election)
9. Appointment of Reviewer or Auditor
10. General Business
11. Installation of Officers

Light supper and refreshments will be served after the meeting.

Directory

As at 30 April 2020

Board of Management:

President: Sis. I. R. Taylor M.U.F.S.

Vice President: Bro. E A. McNicholl. M.U.F.S.

Secretary/Treasurer: Bro. S.J. Smith A.O.F.

Trustees: Bros. M.E. Taylor M.U.F.S.
P.J. Doody A.O.F.
Sis. I. R. Taylor M.U.F.S.

Reviewer: Nexia New Zealand
Chartered Accountants
Christchurch

Solicitors: M.D.S.LAW
Christchurch

PRESIDENTS REPORT 2020

The financial year, ended 30 April 2020 has been another quiet and uneventful year as regards the Christchurch UFS Dispensary and the work of the Board although we are sure that for most of our members, the outbreak of Covid-19 on the 11 March 2020 has seen a lot of uncertainty and economic impact on a personal level as the result of a level 4 lockdown, something never experienced by any of us in our lifetime.

There has been no change to the subscribed capital in the Christchurch UFS Dispensary from the previous year which is as follows:

LODGE CAPITAL

LOYAL RICCARTON LODGE M.U.F.S.	\$74,326.00
LOYAL CANTERBURY LODGE M.U.F.S.	\$39,541.00
COURT STAR OF CANTERBURY A.O.F.	\$33,947.00
ST PATRICKS LODGE H.A.C.B.S.	<u>\$13,167.00</u>
	<u>\$160,981.00</u>

Delegate's entitlement's remain as follows:

LOYAL RICCARTON LODGE	10 delegates
LOYAL CANTERBURY LODGE	8 delegates
COURT STAR OF CANTERBURY	7 delegates
ST PATRICKS LODGE	3 delegates

The net assets of the dispensary at the end of the 2019/2020 financial year were \$168,105.00 with a net surplus for the year of \$1,384.00.

At the 2019 AGM, the Board was asked to investigate the winding up of the Dispensary and the distribution of capital back to shareholding lodges. The Board's investigations have confirmed that free scripts were being offered all year round by several chemists and shop lines were regularly discounted. The Sydenham Pharmacy have offered to continue the current discount arrangement with existing customers. The board is therefore proposing that there is no longer any need to retain the Christchurch UFS Dispensary and members would be better off having the funds distributed back to the member lodges.

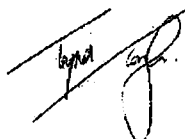
On the basis that the required resolutions and rule changes required are passed to enable the dissolution to be effected, there is no need to speculate on the reduced interest earnings that the organisation would have to consider moving forward as a result of the economic impacts of Covid-19.

The review of our annual accounts was delayed as a result of Covid-19. Whilst all the required information required for the review was delivered to the Reviewer by the 18th May, the timeline needed to be amended as a result of the impact on the Reviewers own business. Work on the review did not commence by them until July 2020.

I wish to thank our Secretary and Treasurer, Bro. Smith, for his support and efficiency in assisting me over the past year. His continued hard work is very much appreciated. I am also grateful to my fellow board members, Bro. Taylor, Bro. Doody and Bro. McNicholl.

The matters for consideration at this meeting are set out in the Notice of Meeting.

For and on behalf of the Board of Management,

A handwritten signature in black ink, appearing to read 'Ingrid Taylor', written over a horizontal line.

Ingrid Taylor.

INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT

To the Members of Christchurch United Friendly Societies Dispensary

Report on the Financial Statements

We have reviewed the financial statements of Christchurch United Friendly Societies Dispensary (the "Society") on pages 5 to 11, which comprise the statement of financial position as at 30 April 2020, the statement of financial performance, the statement of Appropriation and the statement of Movements in and expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to meet the specific needs of the Society. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of Christchurch United Friendly Societies Dispensary for the financial year ended 30 April 2019, were reviewed by another reviewer who expressed an unmodified opinion on those statements. The financial statements for the year ended 30 April 2020 was the first year upon which Nexia Audit Christchurch has signed off on the financial statements of Christchurch United Friendly Societies Dispensary.

Executive Committee's Responsibility for the Financial Statements

The Executive Committee is responsible for the preparation and fair presentation of these financial statements in accordance with a special purpose reporting framework and for such internal control as the Executive Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibilities

Our responsibility is to express a conclusion on the financial statements based on our review. We conducted our review in accordance with International Standard on Review

Engagements (New Zealand) (ISRE (NZ)) 2400, *Review of Historical Financial Statements Performed by an Assurance Practitioner who is not the Auditor of the Entity*. ISRE (NZ) 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with a special purpose financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the financial statements in accordance with ISRE (NZ) 2400 is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on the financial statements.

Our firm carries out other accounting services for the Society in relation to the final presentation of the financial statements. The firm has no other interest in the Society.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements on pages 5 to 11 do not present fairly, in all material respects, the financial position of Christchurch United Friendly Societies Dispensary as at 30 April 2020 and its statement of income and expenditure for the year then ended, in accordance with the accounting policies set out in the statement of accounting policies and notes to the accounts.

Restriction on use of our report

This report on the financial statements is made solely to the members of Christchurch United Friendly Societies Dispensary. Our limited assurance work has been undertaken so that we might state to the members those matters which we are required to state to them in an independent assurance practitioner's review 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 Christchurch United Friendly Societies Dispensary for our work, for this report or for the opinion we have formed.

Nexia Audit Christchurch.

Nexia Audit Christchurch
3 August 2020
Christchurch

Statement of Financial Performance
For the Year Ended 30 April 2020

	Note	2020	2019
Investment Income			
Investments - Financial			
Interest - Sundry		1	2
Westpac Call A/c Interest		4	9
Westpac Fixed Interest		1,882	0
Bonds Interest		5,340	8,051
		<u>7,227</u>	<u>8,062</u>
Less Administration Expenses			
Accountancy and Reviewer Fees		3,002	3,002
Computer Expenses		50	87
General Expenses		514	520
Office Expenses		1,104	1,104
Postage and Stationery		0	110
Subscriptions & Registrations		673	793
Fidelity Insurance		500	500
		<u>5,843</u>	<u>6,116</u>
Total Expenses		<u>(5,843)</u>	<u>(6,116)</u>
Net Surplus/(Loss)		<u>1,384</u>	<u>1,946</u>

The accompanying notes form part of these financial statements.



Statement of Appropriation

For the Year Ended 30 April 2020

	Note	2020	2019
Income			
Net Surplus before Taxation		1,384	1,946
Tax Expense/(Refund)	3	0	0
Net Operating Surplus for the Year		<u>1,384</u>	<u>1,946</u>
Retained Earnings Brought Forward		\$8,960	\$10,234
		<u>\$10,344</u>	<u>\$12,180</u>
Less Distribution to Lodges - Paid		3,220	3,220
Retained Earnings Carried Forward		<u><u>\$7,124</u></u>	<u><u>\$8,960</u></u>

The accompanying notes form part of these financial statements.



Statement of Financial Position

As at 30 April 2020

	Note	2020	2019
Equity-Members Capital and Reserves			
Subscribed Capital	8	160,981	160,981
Retained Earnings		7,124	8,980
Total Equity		\$168,105	\$169,941
Represented by:			
Current Assets			
Accounts Receivable		1,447	1,602
Westpac		(201)	33
Westpac Call Account	4	3,066	9,613
Westpac Term Deposit due 16 Dec 2020	4	5,000	0
Westpac Term Deposit due 17 Aug 2020	4	30,000	0
Westpac Term Deposit due 27 Aug 2020	4	55,000	0
Contact Bonds due 15 May 2019	2		60000
Auckland Airport Bonds due 13 Dec 2019	2		36000
		94,312	96,148
Non-Current Assets			
Investments	2	75,000	75,000
Total Assets		\$169,312	\$171,148
Less Current Liabilities			
Accounts Payable		1,207	1,207
Income Tax Due	3	0	0
		\$1,207	\$1,207
Net Assets		\$168,105	\$169,941


 _____ Trustee


 _____ Secretary


 _____ Trustee


 _____ Date

The accompanying notes form part of these financial statements.



Statement of Movements in Equity

For the Year Ended 30 April 2020

	Note	2020	2019
Equity at 1 May 2019		169,941	171,215
Net operating surplus for the year		1,384	1,946
		<u>171,325</u>	<u>173,161</u>
Disribution to Lodges - Paid		(3220)	(3220)
		<u>\$168,105</u>	<u>\$169,941</u>

The accompanying notes form part of these financial statements



Notes to the Financial Statements

For the Year Ended 30 April 2020

1. Statement of Accounting Policies

Reporting Entity

The Christchurch United Friendly Society's Dispensary (UFS) is a Society registered under the Friendly Societies and Credit Union Act 1982. These financial statements are special purpose financial statements prepared solely to meet the requirements of the Christchurch United Friendly Society's Dispensary. The accounting policies applied are specific to the Society's circumstances, as determined by the Trustees.

Measurement Base

The accounting principles recognised by the UFS are that of historical cost.

Specific Accounting Policies

- * **Revenue Recognition**
Revenues are recorded in the year they are earned not received.

- * **Receivables**
Receivables are stated at their estimated realisable value.

- * **Income Tax**
The UFS no longer engages in any taxable activities.

- * **Business**
At year end the Society had income from bank deposits and bonds.

- * **GST**
Figures are GST exclusive.
The UFS de-registered from GST commencing 1 November 2016.

- * **Investments**
Bank investments are initially recorded at cost.
Bonds are recorded using amortised cost.

- * **Changes in Accounting Policies**
There have been no changes in accounting policies. All policies have been applied on bases consistent with those in previous years.



Notes to the Financial Statements (continued)

For the Year Ended 30 April 2020

2. Investments

	Holding	2020	2019
Auckland Airport Bonds due 13 Dec 2019	35,000		35,000
Contact Energy Bonds due 15 May 2019	50,000		50,000
Trustpower Bonds due 15 December 2021	25,000	25,000	25,000
Bank of New Zealand Bonds due 17 Dec 2025	50,000	50,000	50,000
		\$75,000	\$160,000

3. Taxation

	2020	2019
Net surplus before tax	1,384	1,946
Less non-taxable income	(1,384)	(1,946)
	<u>0</u>	<u>0</u>

The Society has income tax losses totalling \$125,426 to carry forward and available to be set-off against future assessable income. The potential future income tax benefit of these losses has not been recorded in the financial statements.

We no longer engage in taxable activities so it is not possible to use these losses. This was also the case in the 2019 year.

4. Bank Deposits

	2020	2019
Westpac Christchurch Central		
Westpac Call Account		
at 0.05%	\$3,066	\$9,513

Term Deposits

Westpac Term Deposit due 16 Dec 2020 @ 2.50%	\$5,000	0
Westpac Term Deposit due 17 Aug 2020 @ 2.70%	\$30,000	0
Westpac Term Deposit due 27 Aug 2020 @ 2.75%	\$55,000	0



Notes to the Financial Statements(continued)

For the Year Ended 30 April 2020

5. Capital Commitments

There were no capital commitments at year end. (2019:Nil)

6. Contingent Liabilities

In the Agreement for Sale & Purchase of the Pharmacy Business with Mackenzie Group there exists the potential for the Society to assist with funding members Prescription Rebates under certain circumstances.

These are; Exceeding an agreed amount of Rebate or Health Authority funding changes.

At this time it is not possible to quantify the exact value of these possible liabilities.

This was also the case in the 2019 year.

7. Total Gross Revenue

	2020	2019
Interest	7,227	8,062
	<u>\$7,227</u>	<u>\$8,062</u>

8. Capital & Reserves

	2020	2019
Subscribed Capital		
Balance as at 1 May 2019	160,981	160,981
Balance as at 30 April 2020	<u>\$160,981</u>	<u>\$160,981</u>

9. Related Parties**Lodge Members/Shareholding Lodges**

At balance date there are no outstanding balances with Lodge Members or Shareholding Lodges

Zilco NZ Ltd

This company of which Stanley James Smith is a Director provided the printing services for the 2019 Annual Accounts to the Christchurch United Friendly Societies Dispensary.

10. COVID-19

On 11 March 2020, the W.H.O. declared a global pandemic in respect to the COVID-19 virus outbreak. The New Zealand Government initiated a full societal lockdown, with significant isolation requirements and movement restrictions imposed on citizens, (with only essential services permitted to operate). The countrywide lockdown commenced on 26 March 2020 and was initially forecast to run for a 4 week period.

The countrywide lockdown is expected to have a significant economic impact on New Zealand, with flow through to the organisations financial results considered to be highly likely. Due to the nature of the countrywide lockdown and flow on economic impacts it is not practicable to estimate the financial impact of the organisation at this time.

The Christchurch UFS has no staff and only passive investments in term deposits & bonds. Therefore there were no financial performance effects in the year ending 30 April 2020.

The Westpac term deposits will hold their current value but because of the prevailing lower interest rates the bond values will be higher until maturity.

