Ministry of Economic Development
Manatū Ōhanga
Companies Office

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ANNUAL RETURN
FRIENDLY SOCIETY

Friendly Societies and Credit Unions Act 1982

10058986840

This Return is to be completed and sent **within three months of the end of the financial year** to the Registrar of Friendly Societies and Credit Unions, Private Bag 92061, Auckland Mail Centre, Auckland 1142.

The purpose of the Return is to obtain up-to-date information, and to present certain details in a consistent manner for all friendly societies for ease of analysis. It is also used to compile overall friendly society statistics. Please complete **all** sections. This Return may be typed or neatly handwritten.

Organisation Number:	1802979
Name of Friendly Society:	THE HIBERNIAN CATHOLIC BENEFIT SOCIETY
Name of Branch (Where applicable):	
Registered Office:	94 DIXON STREET, WELLINGTON
Postal Address:	P O BOX 11-632, WELLINGTON 6142
Financial Year Ended (DD/MM/YYYY):	31/03/2010

NAMES AND ADDRESSES OF OFFICERS (as at the date of the Return; continue of separate sheet if necessary).

	Name	Residential Address
Committee of Management	I B BAILEY	101 VOGEL STREET, WOODVILLE
	M J MCBRIDE	151 WAIMEA ROAD, BISHOPDALE, NELSON
	M J MCKEE	46 CLEGHORN STREET, BLENHEIM
	L T NEAL	29B FINDLAY STREET, ELLERSLIE, AUCKLAND
	M R PETRICEVICH	18A DOMINION ROAD, TAKAPUNA, AUCKLAND
Trustees	S P RAMSAY	27 ARAWA ROAD, HATAITAI, WELLINGTON
	G R STEWART	60 TINAKORI ROAD, THORNDON, WELLINGTON
	J J SWEENEY	169 WADESTOWN ROAD, WADESTOWN, WELLINGTON
Secretary	P R GIBSON	22 ORIEL AVENUE, TAWA, WELLINGTON
Treasurer		

MEMBERSHIP

Total number of members at beginning of year	2680
Number who joined during year	34
Number who died during year	57
Number who left during year	46
Total number of members at end of year	2611

NATIONAL PROCESSING CENTRE
25 JUN 2010
RECEIVED

STATEMENT OF FINANCIAL PERFORMANCE ("REVENUE ACCOUNT")

(in respect of all business undertaken by the society/branch during the financial year)

			(Whole dollars only)
	Total Members' Equity at beginning of year		$ 1,637,149
	INCOME	$	
	Contributions or levies	263,470	
	~~Funeral benefits repaid by central body~~ Timeshare	13,760	
	Other transfers from a central body or branch	54,210	
1	Investment Income	1,134,539	
2	Other income (specify significant items) Misc	11,933	
	HIBERNIAN CREDIT UNION EXP. REIMBURSE	15,547	
	POLICY LIABILITIES	38,000	
		Total Income $	1,531,459
	EXPENDITURE	$	
	~~Sickness benefits~~ Tertiary Bursary Benefits	4,890	
	~~Annuity benefits~~ Benevolent Grants	4,625	
	Funeral benefits	136,751	
3	Assurance Benefits	232,515	
	Medical benefits	1,000	
	Management expenses	275,937	
	Expenses incurred on properties - Timeshare	10,922	
	Levies to central body		
	~~Other transfers to a central body or branch~~ Benefit Fund Expenses	33,612	
4	Other expenditure (specify significant items)		
	INVESTMENT EXPENSES	8,261	
	POLICY LIABILITIES	53,000	
		Total Expenditure $	761,513
	Total Members' Equity at beginning of year		$ 2,407,095

1 Include all interest, dividends (including United Friendly Societies Dispensary dividends), rents, etc.

2 Include separately any significant items, such as profit on sale of assets, commissions, donations, etc.

3 Include all benefits paid from a Life Assurance Fund, whether upon death, maturity or surrender.

4 Include separately any significant items, such as depreciation, loss on sale of assets, social expenses, etc.

STATEMENT OF FINANCIAL POSITION ("BALANCE SHEET")

ASSETS	(Whole dollars only)	
~~Land and buildings~~ LOANS TO MEMBERS	1,812,738	
~~Mortgages~~ EQUITIES	2,968,007	
Government securities	302,983	
Local Authority and SOE securities + CORPORATE DEBT	3,198,860	
Term deposits	1,000,000	
Bank accounts and cash on hand	814,610	
Furniture, fittings & other fixed assets	82,231	
Sundry debtors / Accounts ~~receivable~~ - INTEREST RECEIVABLE	179,952	
5 Society investment fund		
5 *District investment fund*		
Other assets (specify significant items)		
HIBERNIAN CREDIT UNION CURRENT ACCOUNT	3,347	
	Total Assets $	10,362,728
Less credit union investment fund		
6 Less branch investment fund		
Less funds held on behalf of a central body or branch		
	Total Members Assets $	10,362,728 (A)

7 **LIABILITIES & EQUITY**		
Sickness and funeral fund	263,979	
Assurance fund	1,933,423	
Medical fund	51,379	
~~Surplus fund~~ RETRAINING FUND	11,904	
Benevolent fund	60,645	
~~Distress fund~~ TERTIARY BURSARY FUND	27,415	
Management fund		
Other funds (specify) HOLIDAY ACCOMMODATION	58,350	
Sundry creditors / Accounts payable	36,778	
Bank loans / Overdraft		
Reserves (specify)		
PAYE / GST / Tax payable		
Other liabilities (specify significant items)		
FUNDS ON BEHALF OF BRANCH	18,855	
POLICY LIABILITIES	7,900,000	
NOTE: TOTALS (A) & (B) MUST BE IDENTICAL	*Total Liabilities & Equity* $	10,362,728 (B)

5 Applicable only to a branch of a central body

6 Applicable only to a central body

7 Include any funds in deficit as negative liabilities – e.g. "($X)"

I hereby certify that this Return is in accordance with the audited financial statements of the society/branch. A signed copy of the annual financial statements and auditor's report are enclosed. Fee enclosed $ 20.00

Secretary 22 June 2010 Date

5/05

The Hibernian Catholic Benefit Society

Statement of Comprehensive Income for the year ended 31 March 2010

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Income				
Investment Income	5-6	1,134,539	(23,235)	117,837
Members Contributions to Benefit Funds	18-21	263,470	247,388	279,084
Other Income	17-19	133,450	243,765	393,816
		1,531,459	**467,918**	**790,737**
Expenditure				
Investment Expenses	16	8,261	93,024	3,404
Administration Expenses	17	275,937	292,380	321,194
Members Benefits Paid	18-23	379,781	542,332	515,375
Other Expenses	17-21	97,534	117,314	36,280
		761,513	**1,045,050**	**876,253**
Net Surplus / (Deficit) for the period		**769,946**	**(577,132)**	**(85,516)**
Other Comprehensive Income				
Other Comprehensive Income for the period		-	-	-
Total Comprehensive Income for the period		**769,946**	**(577,132)**	**(85,516)**

The notes on pages 5-21 form part of and are to be read in conjunction with these financial statements.

President **Trustee** **Secretary**

The Hibernian Catholic Benefit Society

Balance Sheet as at 31 March 2010

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Members Equity	2			
Assurance Fund (page 3)	18	1,933,423	1,276,900	1,556,245
Funeral Fund (page 3)	19	263,979	157,014	443,403
Retraining Fund (page 3)	20	11,904	11,143	11,866
Tertiary Bursary Fund (page 3)	21	27,415	26,633	29,509
Benevolent Fund (page 3)	22	60,645	59,373	65,494
Medical Assistance Fund (page 3)	23	51,379	47,736	49,414
Holiday Accommodation Fund (page 4)	24	58,350	58,350	58,350
		2,407,095	**1,637,149**	**2,214,281**
Represented by:				
Current Assets				
Cash and Cash Equivalents	3	1,814,610	1,757,704	2,486,206
Financial Assets	4	559,597	1,008,992	684,830
Loans to Members	4	78,740	59,993	44,379
Interest Receivable		179,952	156,334	128,769
Trade and Other Receivables		-	-	-
Hibernian Credit Union Current Account	12	3,347	21,171	21,971
		2,636,246	**3,004,194**	**3,366,155**
Non-Current Assets				
Financial Assets	4	5,910,253	4,974,201	5,493,073
Loans to Members	4	1,733,998	1,507,318	1,280,369
Property, Plant and Equipment	7	82,231	90,322	84,923
		7,726,482	**6,571,841**	**6,858,365**
Total Assets		**10,362,728**	**9,576,035**	**10,224,520**
Current Liabilities				
Branch Dues Payable		18,855	19,343	18,791
Trade Payables		19,461	18,007	20,302
Employee Entitlements		17,317	16,536	18,146
		55,633	**53,886**	**57,239**
Non-Current Liabilities				
Policy Liabilities - Assurance Fund		5,294,000	5,332,000	5,473,000
Policy Liabilities - Funeral Fund		2,606,000	2,553,000	2,480,000
		7,900,000	**7,885,000**	**7,953,000**
Total Liabilities		**7,955,633**	**7,938,886**	**8,010,239**
Net Assets		**2,407,095**	**1,637,149**	**2,214,281**

The notes on pages 5-21 form part of and are to be read in conjunction with these financial statements.

The Hibernian Catholic Benefit Society

Statement of Changes in Equity for the year ended 31 March 2010

	31/3/10	31/3/09	31/3/08
	$	$	$
Balance as at 1 April	**1,637,149**	**2,241,281**	**2,299,797**
Net Surplus / (Deficit) for the period	769,946	(577,132)	(85,516)
Other Comprehensive Income	-	-	-
Balance as at 31 March	**2,407,095**	**1,637,149**	**2,214,281**

Changes in Equity for the individual funds is as follows:

	31/3/10	31/3/09	31/3/08
Assurance Fund			
Opening Balance	1,276,900	1,556,245	1,480,815
add / (less) Surplus / (Deficit) from Income and Expenditure	618,523	(420,345)	(216,188)
Decrease / (Increase) in Policy Liabilities	38,000	141,000	291,618
Surplus Not Allocated to Policies 31 March	**1,933,423**	**1,276,900**	**1,556,245**
Funeral Fund			
Opening Balance	157,014	443,403	600,679
add / (less) Surplus / (Deficit) from Income and Expenditure	159,965	(213,389)	(153,147)
Decrease / (Increase) in Policy Liabilities	(53,000)	(73,000)	(4,129)
Surplus Not Allocated to Policies 31 March	**263,979**	**157,014**	**443,403**
Retraining Fund			
Opening Balance	11,143	11,866	12,327
add / (less) Surplus / (Deficit) from Income and Expenditure	761	(723)	(461)
Closing Balance 31 March	**11,904**	**11,143**	**11,866**
Tertiary Bursary Fund			
Opening Balance	26,633	29,509	29,742
add / (less) Surplus / (Deficit) from Income and Expenditure	782	(2,876)	(233)
Closing Balance 31 March	**27,415**	**26,633**	**29,509**
Benevolent Fund			
Opening Balance	59,373	65,494	117,884
add / (less) Surplus / (Deficit) from Income and Expenditure	1,272	(6,121)	(2,390)
Transfer to Medical Assistance Fund	-	-	(50,000)
Closing Balance 31 March	**60,645**	**59,373**	**65,494**
Medical Assistance Fund			
Opening Balance	47,736	49,414	-
add / (less) Transfer from Benevolent Fund	-	-	50,000
Surplus / (Deficit) from Income and Expenditure	3,643	(1,678)	(586)
Closing Balance 31 March	**51,379**	**47,736**	**49,414**

Holiday Accommodation Fund			
Opening Balance	58,350	58,350	58,350
Closing Balance 31 March	**58,350**	**58,350**	**58,350**

The notes on pages 5-21 form part of and are to be read in conjunction with these financial statements.

The Hibernian Catholic Benefit Society

Statement of Cash Flows for the year ended 31 March 2010

	Note	31/3/10 $	31/3/09 $	31/3/08
Cash Flows from Operating Activities				
Cash was provided from:				
Income on Investments and Loans		505,641	600,993	623,206
Other Income		95,450	102,765	102,198
Members Contributions to Benefit Funds		262,982	247,940	280,344
		864,073	**951,698**	**1,005,748**
Cash was applied to:				
Members Benefits Paid and related expenses		413,393	561,823	535,898
Payments to suppliers and employees		276,533	310,300	290,166
		689,926	**872,123**	**826,064**
Net Cash Inflow / (Outflow) from Operating Activities	8	**174,147**	**79,575**	**179,684**
Cash Flows from Investing Activities				
Cash was provided from:				
Decrease in Investments		1,475,222	792,917	1,003,250
Decrease in Loans		192,573	231,253	642,299
		1,667,795	**1,024,170**	**1,645,549**
Cash was applied to:				
Increase in Investments		1,356,599	1,250,000	700,000
Investment Expenses		8,261	93,024	3,404
Increase in Loans		438,000	473,816	416,067
Purchase of Property, Plant and Equipment		-	16,207	-
		1,802,860	**1,833,047**	**1,119,471**
Net Cash Inflow / (Outflow) from Investing Activities		**(135,065)**	**(808,877)**	**526,078**
Cash Flows from Financing Activities				
Cash was provided from:				
Hibernian Credit Union Current Account		17,824	800	-
		17,824	**800**	**-**
Cash was applied to:				
Hibernian Credit Union Current Account		-	-	3,982
		-	**-**	**3,982**
Net Cash Inflow / (Outflow) from Financing Activities		**17,824**	**800**	**(3,982)**
Net Increase / (Decrease) in Cash Held		56,906	(728,502)	701,780
Opening Cash Balance		1,757,704	2,486,206	1,784,426
Closing Cash Balance		**1,814,610**	**1,757,704**	**2,486,206**

The notes on pages 5-21 form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements for the year ended 31 March 2010

1 Statement of Accounting Policies

1.1 General Accounting Policies

a) Reporting Entity:

The financial statements presented here are for the reporting entity The Hibernian Catholic Benefit Society ("the Society"). The financial statements are presented in accordance with the Securities Act 1978 and the Financial Reporting Act 1993, and the rules of the Society. Currency of presentation is the New Zealand dollar.

The primary objective of the Society is to provide mutual assistance to its members through the provision of benefit funds, with financial returns disbursed to the members by way of increased benefits. The Society makes loans to members or invests funds on the members' behalf. Interest and other income is received by the Society and allocated to the members' benefits funds. Accordingly, as a non-profit organisation, the Society has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The Society operates predominantly in one industry, being the investment of members' funds. All operations are based in New Zealand.

The basis of preparation of these financial statements is New Zealand generally accepted accounting practice (NZ GAAP). They comply with NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities.

Branch funds are not included in these financial statements as each branch is a separate legal entity with its own officers and trustees, and is responsible for its own governance. Branches all prepare and file their own annual financial statements with the Registrar of Friendly Societies and Credit Unions.

b) Measurement Basis:

The measurement basis is historic cost except for the valuation of certain financial instruments that are revalued to market values. The Society is not registered for G.S.T. The amounts shown in the financial statements are G.S.T. inclusive.

c) Standards and Interpretations to Published Standards:

At the date of authorization of these financial statements certain new standards, interpretations and amendments to existing standards have been issued.

(i) Standards, interpretations and amendments adopted in the current accounting period:

The Society has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following is relevant to its operations: NZ IAS 1 'Presentation of Financial Statements' (effective for balance date 31 March 2010). This revised standard introduces as a new primary financial statement, the 'Statement of Comprehensive Income'. There are no additional disclosures arising and it does not change the recognition, measurement or disclosure of transactions required by NZ IFRS.

(ii) Standards, interpretations and amendments issued but not yet effective at the current reporting date:

Standards, interpretations and amendments to published standards that are not relevant are NZ IAS 23 'Borrowing Costs', NZ IAS 27 'Consolidated and Separate Financial Statements', NZ IAS 32 'Financial Instruments', NZ IFRS 2 'Share Based Payments', NZ IFRS 3 'Business Combinations', NZ IFRS 4 'Insurance Contractors', NZ IFRS 8 'Operating Segments', NZ IFRC 15 'Agreements for the Construction of Real Estate', NZ IFRIC 12 'Service Concession Agreements', NZ IFRIC 13 'Customer Loyalty Programmes', NZ IFRIC 14 'Limit on Defined Benefit Asset' and NZ IFRIC 16 'Hedges of Net Investment in a Foreign Operation'.

1.2 Particular Accounting Policies

a) Income and Expenses Recognition:

(i) Income:

Income is measured at the fair value of consideration received. Income from the rendering of services is recognised by reference to the stage of completion of the transaction at balance sheet date, based on the actual service provided as a percentage of the total services to be provided.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

Dues:

Members' dues, assurance, funeral and other contributions to the funds are only recorded as income when the contribution is physically received. Payment of overdue contributions cannot be enforced.

Loan Fees and Commissions Income:

Loan management fees and commissions received are brought to account once a right to receive consideration has been attained.

(ii) Expenses:

Depreciation:

Depreciation is provided for office furniture and equipment, computer and photocopier. It is calculated as follows:

office furniture, equipment	- straight line over 10 years
computer, photocopier	- straight line over 5 years.

b) Valuation of Funds and their Treatment:

New Zealand Equivalent to International Financial Reporting Standard No. 4 - Insurance Contracts sets out the methodology for measuring policyholder liabilities. Actuarial valuations of the Society's Assurance Fund and Funeral Fund are carried out every year and the liabilities and unallocated surpluses disclosed recorded in the financial statements.

Actuarial valuations are carried out by independent consulting actuaries, Melville Jessup Weaver Limited.

Policy liabilities have been determined in accordance with New Zealand Society of Actuaries Professional Standard No. 3 - Determination of Life Insurance Policy Liabilities. All of the business in the Society's assurance and funeral funds is life insurance contracts with discretionary participating features. The structure of the Society is such that no planned margins are applicable.

(i) Life insurance contract liabilities:

The financial reporting methodology used to determine the fair value of the life insurance contract liabilities is referred to as Margin on Service. Under Margin of Service the excess of premium received is recognised over the life of the contract in a manner that reflects the pattern of services provided to policyholders. In this case, "policyholders" are members of the Society's Assurance Fund and Funeral Fund.

(ii) Best estimate liabilities:

The liability for the current benefit entitlements of each member of each fund is determined using a projection method, whereby estimates of future cash flows (benefits and expenses, net of premiums and contributions) are projected using best estimate assumptions. The best estimate liabilities are calculated as the net present value of the projected cash flows. Under the Rules of the Society, the future benefits are linked to the performance of the assets in the fund, so the discount rate used is the expected future earnings rate on those assets.

In accordance with the rules of the Society, the assets in each fund over and above those required to support members' current benefit entitlements may be used in future to increase members' benefits. Thus, the assets over and above the liabilities for current benefit entitlements are taken to be future supportable benefit increases and the total assets in each fund represent the Policy Liabilities.

The assumptions used in the calculation of the best estimate liabilities are reviewed at each reporting date. A summary of the significant actuarial methods and assumptions used is set out in Notes 18 and 19.

c) Cash and Cash Equivalents:
Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.
d) Financial Assets:
The Society classifies its financial assets into the following categories - financial assets at fair value through profit or loss; loans and receivables; and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.
Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the income statement.
Purchases and sales of investments are recognised on trade-date, the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all the risks and rewards of ownership.
The categories of financial assets are:

(i) Financial assets at fair value through profit or loss:
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or expected to be released within 12 months of balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the income statement.
(ii) Loans and receivables:
These 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. Gains and losses when the asset is impaired or derecognised are recognised in the income statement.
All Society loans to members are 'on demand' with repayment instalments spread over periods of up to 25 years, apart from home equity loans introduced in October 2000 where there is no set term. Loan repayments due within 12 months of balance sheet date are classified as current assets, with the remainder as non-current assets.
(iii) Financial assets at fair value through equity:
Financial assets at fair value through equity are those that are designated at fair value through equity or are not classified in any of the other categories above, and includes investments that are intended to be held long-term but which may be realised before maturity.

e) Impairment of Financial Assets:
At each balance sheet date the Society assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the income statement. A provision for impairment is established when there is objective evidence the Society will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.
The Society's management determines impairment taking into account the length of time the repayments are in arrears and the security held. Bad debts are written off to the income statement when identified unless an impairment provision has previously been made against a loan in which case the write-off is charged against the provision.
The various components of impaired assets are as follows:

"Non-accrual loans" are loans and advances for which there is reasonable doubt that the Society will be able to collect all amounts of principal and interest in accordance with the terms of the agreement and provisions for impairment are recognized.
"Restructured loans" are loans where the original contractual terms have been modified to provide for concessions of interest, principal or repayment for reasons related to financial

difficulties of the borrower.

"Assets acquired through the enforcement of security" are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

The Society had one impaired asset at balance sheet date (refer Note 4b). There were no doubtful debts.

f) Past Due Loans:

Past-due loans are loans or similar facilities in arrears where the borrower has failed to make repayments when contractually due. There were no past due loans at balance date.

g) Property, Plant and Equipment:

Plant and equipment is shown at cost, less accumulated depreciation and any impairment losses.

Property consists of timeshares that were not purchased as revenue-earning assets but as property facilities for the use of members during the year. They are recorded at cost less any accumulated depreciation and any impairment losses. Expenditure incurred on these properties is recovered from users of the facilities by way of a rental charge. As the expected residual value of timeshare property is expected to be greater than the current carrying amount, the assets depreciation rate is zero. Should the residual value subsequently fall below the carrying value depreciation will commence.

h) Employee Entitlements:

Employee entitlements that the Society expects to be settled within 12 months of balance sheet date are measured at nominal values based upon accrued entitlements at current rates of pay. These include salaries accrued up to balance sheet date and annual leave earned to, but not yet taken at balance sheet date, and sick leave.

The Society recognises a liability for some sick leave. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance sheet date, to the extent that the Society anticipates it will be used by staff to cover those future absences.

i) Statement of Cash Flows:

The statement of cash flows is prepared using the direct approach.

Definitions of terms used in the statement of cash flows:

"Cash" includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash and includes at call borrowings such as bank overdrafts, used by the Society as part of its day-to-day cash management.

"Operating Activities" include all transactions and other events that are not investing or financing activities.

"Investing Activities" are those activities relating to the acquisition and disposal of current and non current investments and any other non current assets.

"Financing Activities" are those activities relating to changes in the size and composition of the capital structure of the Society.

j) Taxation:

No taxation is provided for in the financial statements as the Society is exempt from income tax under Section CW 44 of the Income Tax Act 2007.

k) Foreign Currency:

Transactions in foreign currencies are converted at the New Zealand rate of exchange at the date of the transaction. At balance sheet date foreign monetary assets and liabilities are translated at the closing rate and variations arising from these transactions are included in the Balance Sheet.

1.3 Changes in Accounting Policies

There have been no significant changes in accounting policies from those applied in the previous accounting period.

2 **Members Equity**

Members' equity is represented by the Society's various benefit funds – assurance, funeral, retraining, tertiary bursary, benevolent, medical assistance and holiday accommodation (Notes 18 - 24) – with all monies in those funds belonging to the members. Apart from the Holiday Accommodation Fund, each fund receives a pro-rata share of investment income and pays a fair share of management and administration costs as determined by the Society's management each year.

3 **Cash and Cash Equivalents**

	31/3/10	31/3/09	31/3/08
	$	$	$
Cash and bank	206,623	399,427	117,717
Call Deposit with Bank of New Zealand	607,987	514,642	1,774,854
Term Deposit with National Bank of New Zealand	-	593,635	593,635
Term Deposit with Bank of New Zealand	1,000,000	250,000	-
	1,814,610	**1,757,704**	**2,486,206**

Interest rates earned on cash and cash equivalents ranged from 0.25% to 8.35% pa for the period to 31 March 2010 (31 March 2009: 0.25% - 8.70%; 31 March 2008: 0.25% - 8.62%). Deposits are treated as cash and cash equivalents due to their ability to convert to cash within 1-3 days. Movements in market rates will not affect the recorded value of investments.

4 **Financial Assets**

	31/3/10	31/3/09	31/3/08
	$	$	$
Financial assets at fair value through profit or loss			
Equities:			
New Zealand	466,855	437,770	565,123
Australia	1,381,128	878,964	1,085,897
United Kingdom	231,470	310,882	388,953
Other International	311,765	545,478	685,053
Property (New Zealand & Australia)	576,789	457,699	555,826
	2,968,007	2,630,793	3,280,852
Fixed Interest Securities:			
Government Stock	302,983	830,568	905,991
Corporate Debt	3,198,860	2,521,832	1,989,060
	3,501,843	3,352,400	2,895,051
	6,469,850	**5,983,193**	**6,175,903**
Loans and Receivables			
Loans to Members - secured by mortgage over real estate	1,680,160	1,456,482	1,207,726
Loans to Members - life policy and other loans	132,578	110,829	117,022
Trade and Other Receivables	-	-	-
	1,812,738	**1,567,311**	**1,324,748**
Financial assets at fair value through equity			
UFS Dispensary Shares	-	-	2,000
	-	**-**	**2,000**
	8,282,588	**7,550,504**	**7,502,651**

Maturity analysis is as follows:

	Total	0-6 months	6-12 months	12-18 months	18-24 months	24 + months
	$	$	$	$	$	$
Investments	6,469,850	184,410	375,188	-	103,493	5,806,759
Loans to Members	1,812,738	40,556	38,184	35,692	35,228	1,663,078
	8,282,588	**224,966**	**413,372**	**35,692**	**138,721**	**7,469,837**

Effective return on financial assets is as follows:

	31/3/10	31/3/09	31/3/08
Investments	15.64%	(4.69)%	(2.78)%
Loans to Members	5.63%	9.30%	10.53%

a) Credit Quality:
The Society provides loans to members for various purposes, but principally for housing. Loans are all secured, either by way of first or second mortgage, or by the Society's own life policies. The maximum amount that can be borrowed against security of a mortgage over real estate is 75% of valuation of the security property. Security dissection of loans to members is shown in the above table under 'Loans and Receivables'. Loans are all to individuals as Society members.
b) Impairment of Financial Assets:
The Society had one impaired asset (refer Note 1.2 e) at balance sheet date. This is a debenture of $100,000 in Dominion Finance Group Limited (In Receivership) for which an impairment expense was made the previous financial year. As at 31 March 2010 there were no Past Due Assets (loans in arrears) (31 March 2009: Nil; 31 March 2008: Nil).

5 Income on Investments and Loans

	31/3/10	31/3/09	31/3/08
	$	$	$
Interest on Bank Deposits	65,829	127,335	149,500
Dividends on New Zealand Equities	21,628	15,793	18,765
Dividends on Australian Equities	48,198	54,568	56,467
Dividends on UK Equities	11,347	17,525	14,858
Dividends on Property Equities	36,062	35,451	33,290
Interest on Fixed Interest Securities	251,113	243,335	228,344
Interest on Loans to Members	95,082	134,551	151,770
	529,259	**628,558**	**652,994**

6 Gain / (Loss) on Investments

	31/3/10	31/3/09	31/3/08
	$	$	$
Realised Gain / (Loss) New Zealand Equities	12,878	-	(2,073)
Realised Gain / (Loss) Australian Equities	(1,045)	-	29,103
Realised Gain / (Loss) UK Equities	26,128	-	-
Realised Gain / (Loss) International Equities	33,816	-	-
Realised Gain / (Loss) Fixed Interest Securities	(11,245)	15,170	2,601
	60,532	**15,170**	**29,631**
Unrealised Gain / (Loss) New Zealand Equities	57,154	(127,351)	(116,151)
Unrealised Gain / (Loss) Australian Equities	282,730	(206,934)	(32,406)
Unrealised Gain / (Loss) UK Equities	14,158	(78,071)	(122,348)
Unrealised Gain / (Loss) International Equities	50,400	(139,576)	(120,589)
Unrealised Gain / (Loss) Property Equities	39,943	(98,126)	(120,624)
Unrealised Gain / (Loss) Fixed Interest Securities	100,363	(16,905)	(52,670)
	544,748	**(666,963)**	**(564,788)**
	605,280	**(651,793)**	**(535,157)**

7 **Property, Plant and Equipment Depreciation Schedule as at 31 March 2010**

	Cost	Opening Book Value 1/4//09	Additions/ Disposals	Loss on Disposal	Depreciation Current Year	Depreciation Period (yrs)	Accumulated Depreciation	Closing Book Value 31/3/10
	$	$	$	$	$		$	$
94 Dixon Street-								
Furniture	9,745	5,728	-	-	974	10	4,989	4,754
Telephone	3,308	1,929	-	-	331	10	1,712	1,598
Computer	27,234	16,136	-	-	4,954	5	16,050	11,182
Photocopier	9,254	5,497	-	-	1,832	5	5,589	3,665
Timeshare	61,032	61,032	-	-	-	-	-	61,032
	110,573	**90,322**	-	-	**8,091**		**28,340**	**82,231**

	Cost	Opening Book Value 1/4/08	Additions/ Disposals	Loss on Disposal	Depreciation Current Year	Depreciation Period (yrs)	Accumulated Depreciation	Closing Book Value 31/3/09
	$	$	$	$	$		$	$
94 Dixon Street-								
Furniture	9,745	6,702	-	-	974	10	4,015	5,728
Telephone	3,308	2,260	-	-	331	10	1,381	1,929
Computer	38,446	9,174	14,801	2,770	5,069	5	19,540	16,136
Photocopier	9,254	5,755	1,406	-	1,664	5	3,757	5,497
Timeshare	61,032	61,032	-	-	-	-	-	61,032
	121,785	**84,923**	**16,207**	**2,770**	**8,038**		**28,693**	**90,322**

	Cost	Opening Book Value 1/4/07	Additions/ Disposals	Loss on Disposal	Depreciation Current Year	Depreciation Period (yrs)	Accumulated Depreciation	Closing Book Value 31/3/08
	$	$	$	$	$		$	$
94 Dixon Street-								
Furniture	9,745	7,674	-	-	974	10	3,043	6,702
Telephone	3,308	2,593	-	-	331	10	1,048	2,260
Computer	23,645	13,903	-	-	4,729	5	14,471	9,174
Photocopier	7,848	7,325	-	-	1,570	5	2,093	5,755
Timeshare	61,032	61,032	-	-	-	-	-	61,032
	105,578	**92,527**	-	-	**7,604**		**20,655**	**84,923**

8 Reconciliation of Net Operating Cash Flows to Surplus

	31/3/10	31/3/09	31/3/08
	$	$	$
Reported Surplus / (Deficit)	769,946	(577,132)	(85,516)
add / (less) Items Classified as Investing Activity:			
Realised Gain / (Loss) on Investments	60,532	15,170	29,631
Unrealised Gain / (Loss) on Investments	544,748	(666,963)	(564,788)
Investment Expenses	(8,261)	(93,024)	(3,404)
Increase / (Decrease) in Interest Receivable	23,618	27,565	29,788
	(620,637)	(717,252)	(508,773)
add Non Cash Items:			
Depreciation	8,091	8,038	7,604
Loss on Disposal Property, Plant & Equipment	-	2,770	-
Increase / (Decrease) in Policy Liabilities	15,000	(68,000)	(287,489)
	23,091	(57,192)	(279,885)
add / (less) Movements in Working Capital:			
(Increase) / Decrease in Trade Receivables	-	-	7,658
Increase / (Decrease) in Members Advance Contributions	(488)	552	1,260
Increase / (Decrease) in Trade Payables	1,454	(2,295)	7,486
Increase / (Decrease) in Employee Entitlements	781	(1,610)	19,908
	1,747	(3,353)	36,312
Net Operating Cash Flows	174,147	79,575	179,684

9 Operating Lease Commitments

The Society leases its office premises in the normal course of its business, with the lease being non-cancellable.

	31/3/10	31/3/09	31/3/08
	$	$	$
Commitments under non-cancellable operating leases:			
Not later than one year	28,662	38,216	-
Later than one year and not later than five years	-	28,662	-
Later than five years	-	-	-
	28,662	66,878	-

10 Commitments for Capital Expenditure and Loans

As at 31 March 2010 there were no commitments for capital expenditure, and no undrawn first mortgage loans (31 March 2009: Nil; 31 March 2008: Nil). There were no undrawn loans on life policy (31 March 2009: Nil; 31 March 2008: $700).

11 Contingent Liabilities

The Society had no contingent liabilities as at 31 March 2010 (31 March 2009: Nil; 31 March 2008: Nil).

12 Related Party Transactions

a) Hibernian Credit Union Current Account:

The Society undertakes the administration expenditure for the Hibernian Credit Union. The Credit Union has the same Board of Management as the Society and was set up to provide a savings vehicle for Society members. Funds are transferred between the Society and the Credit Union. All transactions are performed on an 'arms length basis'.

The balance of the Hibernian Credit Union Current Account at balance date represents monies owing to the Society by Credit Union members.

The Credit Union is not a subsidiary and has not been consolidated into the financial statements.

b) Board of Management Members as Borrowers:
There are no loans to members of the Society's Board of Management.
c) Key Management Staff:
Apart from salaried remuneration totalling $128,400 pa, there was no compensation paid to and no customer relationship with any of the Society's three staff.
The Society deals with the Board of Management and staff on the same terms and conditions applied to all members.

13 Segmental Information

The Hibernian Catholic Benefit Society operates in one industry, being the investment of members' funds. All operations are based in New Zealand. There is a concentration of members and activity in Wellington and Auckland and their satellite towns.

14 Risk

a) Credit Risk:
Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Society incurring a financial loss. This usually occurs when members fail to settle their obligations owing to the Society. There is no industry concentration of credit risk with respect to loans as the Society has members disbursed in areas of employment. The credit policy is that loans and investments are only made to members that are credit worthy. The risk of loss from the loans is primarily reduced by the nature and quality of the security undertaken.
The financial instruments that potentially subject the Society to risk principally consist of cash and cash equivalents, financial assets, and loans to members. The Society's lending policies require all loans to be secured, either by way of first or second mortgage, or by the Society's own life policies. There is no concentration of credit exposure to a particular geographical area. The maximum exposure to credit risk as at balance date is considered to be the book value of financial assets held.
b) Life Insurance Risk:
Life insurance operations comprise the selling and administration of contracts that are classified for accounting purposes as either life insurance contracts or life investment contracts, the latter category being further divided into investment linked and non-investment linked. All of the Society's Assurance Fund and Funeral Fund business is classified for accounting purposes as life insurance contracts. Such contracts involve the acceptance of significant insurance risk. Risk is defined as significant if and only if an insured event could, cause an insurer to pay significant additional benefits in any scenario excluding scenarios that lack commercial substance.
As the members are from throughout New Zealand the Society is not dependent on any one geographic or economic sector for its life insurance business, although there does exist a concentration in the Auckland geographical area. Risk is managed by conducting actuarial valuations on an annual basis and reviewing maturity profiles. All the Society's life insurance contracts are in New Zealand dollars.
c) Fair Value:
The fair value of financial assets and liabilities is considered to be materially equivalent to book value as reflected in the balance sheet. Fair value has been determined on the basis of the present value of expected future cash flows under terms and conditions of each financial asset and liability.
Included in the financial assets of the Society are property equities and fixed interest securities measured at fair value at each reporting date. The source of fair value inputs as defined by NZ IFRS 7 Financial Instruments is classified as Level 1 – fair value is determined be reference to quoted prices in an active market for the same instrument. All other financial assets are carried at cost, which approximates their fair value.
d) Interest Risk:
The Society is exposed to interest rate risk in that further rate movements will affect the market

value of fixed interest assets and liabilities. Risk management activities are undertaken in respect of financial assets.

The policy of the Society to manage the risk is to maintain a balanced 'on book' strategy by ensuring that the net interest rate gap between financial assets and benefits payable to members is not excessive. The measure gap is reviewed regularly by management and set in line with market rates. The gap is measured to identify any large exposures to the interest rate movements and to rectify the excess through targeted fixed interest rate products available through investment assets and deposits to rectify the imbalance to within acceptable levels. The policy of the Society is not to undertake derivatives to match the interest rate risks.

Loans to members have minimal interest rate risk as all loans are on a floating rate. Interest rates ranged from 5.50% to 8.25% with maturities spread over periods of up to 25 years, apart from home equity loans introduced in October 2000 (total exposure 31 March 2010: $687,686; 31 March 2009: $633,251; 31 March 2008: $806,025) where there is no set term. One months notice is required before the interest rate on loans can be altered.

Sensitivity analysis is as follows:

	31/3/10		**Sensitivity Analysis**			
	Carrying Value $	**Actual Return 3.69%**	**Return 2.69%**	**Impact on Surplus**	**Return 4.69%**	**Impact on Surplus**
Bank Deposits	1,814,610	65,829	47,989	(17,840)	83,864	18,035

e) Liquidity Risk:

Liquidity risk is the risk that the Society may encounter difficulties raising funds to meet commitments associated with financial instruments and its life insurance business.

The Society's liquidity policy is based upon ensuring significant liquid assets are held so as to meet benefit entitlements and to satisfy the borrowing requirements of the membership. As the members are from throughout New Zealand the funding of the Society is not dependent on any one geographic or economic sector. Risks are managed by continuous monitoring of cash flows, reviewing maturity profiles of financial assets and liabilities, and maintaining adequate reserves and liquidity support facilities.

The liquidity profile is as follows:

	Total $	**0-6 months $**	**6-12 months $**	**12-18 months $**	**18-24 months $**	**24 + months $**
Monetary Assets Receivable						
Cash/Cash Equivalents	1,865,298	1,339,110	265,750	260,438	-	-
Financial Assets	7,069,451	314,796	505,574	113,943	217,436	5,917,702
Loans to Members	1,970,703	48,309	47,229	46,211	45,260	1,783,694
Interest Receivable	179,952	179,952	-	-	-	-
Hibernian Credit Union	3,347	3,347	-	-	-	-
	11,088,751	**1,885,514**	**818,553**	**420,592**	**262,696**	**7,701,396**
Branch Dues Payable	18,855	18,855	-	-	-	-
Trade Payables	19,461	19,461	-	-	-	-
Employee Entitlements	17,317	17,317	-	-	-	-
	55,633	**55,633**	-	-	-	-

Loan terms vary but all loans are on demand.

	31/3/10	31/3/09	31/3/08
The monthly repayments on loans for the period represent an average loan term of	134 months	124 months	120 months
The proportion of monetary assets as are amounts receivable (loans) with repayments in arrears in excess of three months is	nil	nil	nil
The proportion of monetary assets as are amounts receivable (loans) owed in aggregate by the debtors who owe the six largest amounts is	35%	36%	30%

f) Credit Exposure Concentrations:
Other than cash and cash equivalents and financial assets (refer Notes 3 and 4) there are no concentrations of credit exposure to individual counterparties that are greater than 10% of equity.
g) Currency Risk:
Some financial instruments of the Society are subject to foreign currency fluctuations. 21% of the Society's financial instruments are in Australian dollar denominated assets and 8% in other foreign currencies. All are equities. Liabilities are members benefit entitlements per the rules in New Zealand dollars.
The Society's management manages currency risk by monitoring the cross rate between New Zealand and Australia and other relevant countries. The Society does not enter into hedging contracts. Management does not believe volatility of fluctuations in the cross rate of exchange between New Zealand and the other relevant countries is a significant risk given the amounts involved as a percentage of New Zealand denominated assets and can be managed by rebalancing the investment portfolio with greater New Zealand denominated investments.
h) Funds Under Management:
The Society does not engage in funds management or other fiduciary activities.
i) Other Price Risk:
The Society has $6,469,850 invested in instruments quoted on public securities exchanges. These financial instruments are subject to price fluctuations.

Sensitivity analysis is as follows:

	31/3/10		Sensitivity Analysis			
	Carrying Value $	**Unrealised Gain / (Loss)**	**10% Price Decrease**	**Impact on Equity**	**10% Price Increase**	**Impact on Equity**
Equities	2,968,007	444,385	2,671,206	(296,801)	3,264,808	296,801
Fixed Interest Securities	3,501,843	100,363	3,151,659	(350,184)	3,852,027	350,184
	6,469,850	**544,748**	**5,822,865**	**(646,985)**	**7,116,835**	**646,985**

15 Solvency Statement

The Society has determined that the surplus of $1,933,199 in the Assurance Fund and the surplus of $263,887 in the Funeral Fund, as at 31 March 2010, should be retained in the respective funds. Its Board of Management is awaiting the outcome of Reserve Bank of New Zealand proposals for the Prudential Regulation of Insurance before considering a policy for determining the amounts to be retained for solvency in future, taking into account actuarial advice including on the standards that relate to this type of business, the Society's rules and members' reasonable expectations for future bonuses and benefit increases.

16 Investment Revenue Account

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Income				
Income on Investments and Loans	5	529,259	628,558	652,994
Realised Gain / (Loss) on Investments	6	60,532	15,170	29,631
Unrealised Gain / (Loss) on Investments	6	544,748	(666,963)	(564,788)
		1,134,539	**(23,235)**	**117,837**
Expenses				
Investment Consultancy Charges		1,884	2,109	1,688
Investment Brokerage Fees		6,377	-	1,716
Investment Impairment Expense		-	90,915	-
Management Charge	17	55,187	58,476	64,239
		63,448	**151,500**	**67,643**
Net Investment Revenue for the year		**1,071,091**	**(174,735)**	**50,194**
Transfer to Assurance Fund	18	712,056	(167,568)	(12,500)
Transfer to Funeral Fund	19	291,982	(69,690)	(5,308)
Transfer to Retraining Fund	20	1,201	(283)	(21)
Transfer to Tertiary Bursary Fund	21	2,870	(703)	(51)
Transfer to Benevolent Fund	22	6,397	(1,561)	(117)
Transfer to Medical Assistance Fund	23	5,143	(1,178)	(86)
Transfer to Management Fund	17	51,442	66,248	68,277
		1,071,091	**(174,735)**	**50,194**

17 Management Fund

		31/3/10	31/3/09	31/3/08
		$	$	$
Administration Expenses				
Staff Salaries and Related Expenses		122,831	134,496	159,030
Rent and Related Occupancy		47,102	46,486	39,220
Equipment and Related Expenses		6,383	8,039	5,646
Depreciation		8,091	8,038	7,604
Loss on Disposal of Property, Plant and Equipment		-	2,770	-
Operating -	Fees and Subscriptions	1,299	1,056	1,139
	Filing Fees	2,320	2,320	2,320
	Insurance	15,125	14,226	14,226
	Miscellaneous Administration	8,653	6,368	4,625
	Postage and Distribution	7,209	7,533	4,983
	Printing and Stationery	10,473	7,987	9,903
	Telephones	3,612	4,034	4,104
Professional -	Actuary	1,119	5,355	16,734
	Accounting (NZ IFRS)	-	-	8,944
	Audit	11,813	10,688	10,575
	Legal	-	-	1,287
Board of Management		19,353	22,869	18,921
Annual Meeting		10,054	9,236	10,192
Marketing		500	879	1,741
		275,937	**292,380**	**321,194**
Timeshare Holiday Accommodation				
Maintenance Fees		10,922	24,823	11,628
		10,922	**24,823**	**11,628**
		286,859	**317,203**	**332,822**
Income and Transfers				
Branch Management Charge		54,210	48,318	45,328
Loan Management Fees		1,700	1,450	1,810
Commissions Received		10,083	8,939	8,604
Other Income		150	150	200
Management Charges -	Assurance Fund	55,187	58,476	64,239
	Funeral Fund	27,593	29,238	32,119
	Retraining Fund	500	500	500
	Tertiary Bursary Fund	500	500	250
	Benevolent Fund	500	500	500
	Medical Assistance Fund	500	500	500
	Hibernian Credit Union	15,547	29,238	32,119
	Investments	55,187	58,476	64,239
Timeshare -	Rents Received	12,260	13,070	11,937
	Management Charge	1,500	1,600	2,200
Transfer from Investment Revenue		51,442	66,248	68,277
		286,859	**317,203**	**332,822**

Management charges applied to benefit funds and investments are a percentage of the Society's total administration expenses for Assurance Fund (20%), Funeral Fund (10%), Hibernian Credit Union (10%, subject to its ability to pay) and Investments (20%), with flat charges for Retraining Fund, Tertiary Bursary Fund, Benevolent Fund and Medical Assistance Fund.

18 Assurance Fund

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Income				
Members Contributions		195,204	198,937	219,240
Interest on Contribution Arrears		21,351	19,894	29,545
Transfer from Investment Revenue	16	712,056	(167,568)	(12,500)
Decrease in Policy Liabilities		38,000	141,000	291,618
		966,611	**192,263**	**527,903**
Expenditure				
Matured Policies		29,535	43,588	19,117
Death Benefits		60,112	118,218	48,727
Surrendered Policies		93,947	200,949	308,311
Lapsed Policies		48,921	39,695	-
Actuarial Fees		8,189	10,232	5,215
Agents Commissions		14,197	450	6,864
Management Charge	17	55,187	58,476	64,239
Increase in Policy Liabilities		-	-	-
Transfer (to) / from Policy Liabilities –Assurance		38,000	141,000	291,618
		348,088	**612,608**	**744,091**
Net Increase / (Decrease) for the year		**618,523**	**(420,345)**	**(216,188)**

Of the transfer from Investment Revenue for the year ended 31 March 2010, $362,146 is unrealised income (31 March 2009: $(639,605); 31 March 2008: $(140,646).

a) Actuarial Policies and Methods:
The effective date of the actuarial report on the policy liabilities and solvency reserves is 31 March 2010. The actuarial report was prepared by Linda Caradus, a Fellow of the New Zealand Society of Actuaries, of Melville Jessup Weaver, consulting actuaries to the Society. The actuary stated that she was satisfied as to the accuracy of data upon which the calculation of policy liabilities has been made. The amounts of policy liabilities and the solvency reserves have been determined in accordance with the methods and assumptions disclosed in these financial statements and with the standards established by the New Zealand Society of Actuaries.
b) Assumptions:
Policy liabilities have been determined in accordance with Professional Standard No. 3 - 'Determination of Life Insurance Policy Liabilities' issued by the New Zealand Society of Actuaries for reporting under NZ IFRS with effect from 1 January 2007. All of the business in the Society's assurance and funeral funds are life insurance contracts with discretionary participating features. The structure of the Society is such that no planned margins are applicable.
The discount rate assumed was 6.5% after investment expenses, based on the mix of the Society's assets and expected future returns on each asset class. The Society is not subject to taxation.
Some of the expenses are expressed per policy and some as a percentage of best estimate liabilities. Taking into account both expected inflation and future volumes of business, the per policy elements of expenses were assumed to increase at 5.0% pa in future years. The resulting expenses in the year ended 31 March 2010 were $128 per policy for the Assurance Fund and $35 per policy in the Funeral Fund.
Future mortality was assumed to be in accordance a percentage of the NZ97 aggregate male and female tables for insured lives: Assurance Fund 80% and Funeral Fund 90%.
Assumptions in respect of future rates of discontinuance (that is, ceasing to be in force for reasons other than death and maturity) vary according to type of contract and duration in force. The current surrender value basis was assumed to continue throughout the life of the contracts. The discontinuance rates are based on the Society's recent and expected future experience: Assurance Fund 2% and 10% and Funeral Fund nil and 5%.
The Society's rules allow for benefit increases to be made for members of the assurance and funeral funds as surpluses emerge. No allowance is made within the best estimate liabilities for

future bonuses and benefit increases.

19 Funeral Fund

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Income				
Members Contributions		43,553	24,105	25,861
Transfer from Investment Revenue	16	291,982	(69,690)	(5,308)
Decrease in Policy Liabilities		-	-	-
		335,535	**(45,585)**	**20,553**
Expenditure				
Funeral Benefits		136,223	129,768	132,845
Surrendered Benefits		528	79	292
Actuarial Fees		10,716	7,449	8,144
Agents Commissions		510	1,270	300
Management Charge	17	27,593	29,238	32,119
Increase in Policy Liabilities		53,000	73,000	4,129
Transfer (to) / from Policy Liabilities – Funeral		(53,000)	(73,000)	(4,129)
		175,570	**167,804**	**173,700**
Net Increase / (Decrease) for the year		**159,965**	**(213,389)**	**(153,147)**

Of the transfer from Investment Revenue for the year ended 31 March 2010, $148,500 is unrealised income (31 March 2009: $(266,006); 31 March 2008: $(59,721).

a) Actuarial Policies and Methods:)
b) Assumptions:) As per Assurance Fund Note 18.

20 Retraining Fund

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Income				
Members Contributions		60	60	60
Transfer from Investment Revenue	16	1,201	(283)	(21)
		1,261	**(223)**	**39**
Expenditure				
Management Charge	17	500	500	500
		500	**500**	**500**
Net Increase / (Decrease) for the year		**761**	**(723)**	**(461)**

Of the transfer from Investment Revenue for the year ended 31 March 2010, $611 is unrealised income (31 March 2009: $(1,080); 31 March 2008: $(239).

21 **Tertiary Bursary Fund**

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Income				
Members Contributions		3,302	4,392	4,378
Transfer from Investment Revenue	16	2,870	(703)	(51)
		6,172	**3,689**	**4,327**
Expenditure				
Bursaries Paid		4,890	5,975	4,310
Agents Commissions		-	90	-
Management Charge	17	500	500	250
		5,390	**6,565**	**4,560**
Net Increase / (Decrease) for the year		**782**	**(2,876)**	**(233)**

Of the transfer from Investment Revenue for the year ended 31 March 2010, $1,459 is unrealised income (31 March 2009: $(2,685); 31 March 2008: $(577).

22 **Benevolent Fund**

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Income				
Transfer from Investment Revenue	16	6,397	(1,561)	(117)
		6,397	**(1,561)**	**(117)**
Expenditure				
Grants Paid		4,625	4,060	1,773
Management Charge	17	500	500	500
Transfer to Medical Assistance Fund		-	-	50,000
		5,125	**4,560**	**52,273**
Net Increase / (Decrease) for the year		**1,272**	**(6,121)**	**(52,390)**

Of the transfer from Investment Revenue for the year ended 31 March 2010, $3,253 is unrealised income (31 March 2009: $(5,959); 31 March 2008: $(1,318).

23 **Medical Assistance Fund**

	Note	31/3/10 $	31/3/09 $	31/3/08 $
Income				
Transfer from Benevolent Fund		-	-	50,000
Transfer from Investment Revenue	16	5,143	(1,178)	(86)
		5,143	**(1,178)**	**49,914**
Expenditure				
Grants Paid		1,000	-	-
Management Charge	17	500	500	500
		1,500	**500**	**500**
Net Increase / (Decrease) for the year		**3,643**	**(1,678)**	**49,414**

Of the transfer from Investment Revenue for the year ended 31 March 2010, $2,616 is unrealised income (31 March 2009: $(4,496); 31 March 2008: $(971).

24 **Holiday Accommodation Fund**

This fund was established in 1989 for the purchase of holiday accommodation at timeshare resorts. The timeshares were not purchased as revenue-earning investments but as facilities for the use of members during the year. Expenditure incurred on these properties is recovered from users of the facilities by way of a rental charge.

Grant Thornton

Audit Report

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To the members of The Hibernian Catholic Benefit Society

We have audited the financial statements on pages 1 to 21. The financial statements provide information about the past financial performance and cash flows of The Hibernian Catholic Benefit Society for the year ended 31 March 2010 and the financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 6 to 9.

Board of Management Responsibilities

The Board of Management are responsible for the preparation and presentation of the financial statements that give a true and fair view of the financial position of The Hibernian Catholic Benefit Society as at 31 March 2010 and of the financial performance and cash flows for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Board of Management and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Board of Management in the preparation of the financial statements; and

- whether the accounting policies used are appropriate to The Hibernian Catholic Benefit Society's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors, we have no relationship with or interests in The Hibernian Catholic Benefit Society.

Unqualified Opinion

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

In our opinion:

- proper accounting records have been kept by The Hibernian Catholic Benefit Society as far as appears from our examination of those records; and
- the financial statements on pages 1 to 21:
  - comply with generally accepted accounting practice in New Zealand; and
  - give a true and fair view of the financial position of The Hibernian Catholic Benefit Society as at 31 March 2010 and the financial performance and cash flows for the year ended on that date.

Our audit was completed on 22 June 2010 and our unqualified opinion is expressed as at that date.

Grant Thornton

Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
22 June 2010