10061998494

The Hibernian Catholic Benefit Society

Statement of Comprehensive Income for the year ended 31 March 2013

	Note	31/3/13 $	31/3/12 $	31/3/11 $
Income				
Investment and Loan Income	5-6	904,888	330,119	650,125
Members Contributions to Benefit Funds	18-24	226,283	210,006	210,679
Other Income	17-19	79,380	72,662	74,586
Fidelity Insurance Received		86,760	-	-
Decrease in Policy Liabilities	18-19	-	348,000	-
		1,297,311	**960,786**	**935,390**
Expenditure				
Investment Expenses	16	-	750	1,800
Administration Routine Expenses	17	200,255	253,701	260,193
Administration Non-Routine Expenses	17	195,870	286,110	30,781
Members Benefits and Fund Expenses	18-24	426,640	576,902	486,460
Other Expenses	17-24	12,930	66,647	38,813
Timeshare Writedown	25	31,032	-	-
Increase in Policy Liabilities	18-19	-	-	214,000
Increase in Transitional Fund Liability	18-19	1,758,836	-	-
Mis-appropriated Funds	26	-	-	64,000
		2,625,563	**1,184,110**	**1,096,048**
Net Surplus / (Deficit) for the year		**(1,328,252)**	**(223,324)**	**(160,658)**
Other comprehensive income		-	-	-
Total Comprehensive Income / (Deficit)		**(1,328,252)**	**(223,324)**	**(160,658)**

The notes on pages 5-26 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 2013

	Note	31/3/13	31/3/12	31/3/11
Assets		**$**	**$**	**$**
Cash and Cash Equivalents	3	2,874,630	1,868,414	1,594,272
Interest Receivable		115,299	124,942	94,858
Trade Receivables		2,384	814	-
Investments	4	5,452,146	5,817,762	6,262,765
Loans to Members	4	1,339,548	1,468,472	1,831,546
Hibernian Credit Union Current Account	12	-	-	5,976
Property, Plant and Equipment	7	31,659	64,297	65,898
Total Assets		**9,815,667**	**9,344,701**	**9,855,315**
Liabilities				
Branch Dues Payable		16,522	18,722	19,073
Trade Payables		125,650	83,068	22,008
Policy Liabilities – Assurance Fund	18	-	5,224,000	5,446,000
Policy Liabilities – Funeral Fund	19	-	2,525,000	2,651,000
Transitional Fund (ex Assurance portion)	18	6,980,155	-	-
Transitional Fund (ex Funeral portion)	19	2,526,911	-	-
Tertiary Bursary Fund		17,770	17,000	17,000
Total Liabilities		**9,667,008**	**7,867,785**	**8,155,081**
Net Assets		**148,660**	**1,476,911**	**1,700,234**

Represented by:

	Note	$	$	$
Members Equity	2			
Assurance Fund	18	-	1,372,576	1,487,860
Funeral Fund	19	-	(69,578)	30,784
Retraining Fund	21	11,394	10,917	11,339
Tertiary Bursary Fund	22	-	(109)	3,965
Benevolent Fund	23	56,193	54,768	57,528
Medical Assistance Fund	24	53,755	49,987	50,408
Holiday Accommodation Fund	25	27,318	58,350	58,350
		148,660	**1,476,911**	**1,700,234**

The notes on pages 5-26 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 2013

	31/3/13	31/3/12	31/3/11
	$	$	$
Balance as at 1 April	**1,476,911**	**1,700,234**	**1,860,892**
Total Surplus / (Deficit) for the year	(1,328,252)	(223,324)	(160,658)
Other comprehensive income	-	-	-
Balance as at 31 March	**148,660**	**1,476,911**	**1,700,234**
Changes in Equity for the individual funds are as follows:			
Assurance Fund			
Opening Balance	1,372,576	1,487,860	1,552,937
Surplus / (Deficit) for the year	(1,372,576)	(115,285)	(65,077)
Surplus Not Allocated to Policies	**-**	**1,372,576**	**1,487,860**
Funeral Fund			
Opening Balance	(69,578)	30,784	106,673
Surplus / (Deficit) for the year	69,578	(100,361)	(75,889)
Surplus Not Allocated to Policies	**-**	**(69,578)**	**30,784**
Retraining Fund			
Opening Balance	10,917	11,339	11,262
Surplus / (Deficit) for the year	480	(422)	77
Closing Balance	**11,394**	**10,917**	**11,339**
Tertiary Bursary Fund			
Opening Balance	(109)	3,965	25,844
Surplus / (Deficit) for the year	109	(4,074)	(21,878)
Closing Balance	**-**	**(109)**	**3,965**
Benevolent Fund			
Opening Balance	54,768	57,528	57,153
Surplus / (Deficit) for the year	1,425	(2,760)	375
Closing Balance	**56,193**	**54,768**	**57,528**
Medical Assistance Fund			
Opening Balance	49,987	50,408	48,674
Surplus / (Deficit) for the year	3,768	(421)	1,734
Closing Balance	**53,755**	**49,987**	**50,408**
Holiday Accommodation Fund			
Opening Balance	58,350	58,350	58,350
Surplus / (Deficit) for the year	(31,032)		
Closing Balance	**27,318**	**58,350**	**58,350**

The notes on pages 5-26 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 2013

	Note	31/3/13 $	31/3/12 $	31/3/11 $
Cash Flows from Operating Activities				
Cash was provided from:				
Investment and Loan Income		528,819	548,628	532,718
Other Income		166,140	72,662	74,586
Members Contributions to Benefit Funds		224,083	209,654	210,897
		919,042	**830,944**	**818,202**
Cash was applied to:				
Members Benefits Paid and related expenses		427,886	610,046	513,582
Payments to suppliers and employees		365,190	511,467	303,310
		793,076	**1,121,513**	**816,893**
Net Cash Inflow / (Outflow) from Operating Activities	11	**125,965**	**(290,569)**	**1,309**
Cash Flows from Investing Activities				
Cash was provided from:				
Decrease in Investments		1,553,572	361,955	465,110
Decrease in Loans		205,665	436,740	5,411
Sale of Equipment		-	-	2,207
		1,759,237	**798,695**	**472,728**
Cash was applied to:				
Increase in Investments		802,246	165,543	137,800
Investment Expenses		-	750	1,800
Increase in Loans		76,742	73,666	488,147
Mis-appropriated Funds	26	-	-	64,000
Purchase of Property, Plant and Equipment		-	-	-
		878,988	**239,959**	**691,747**
Net Cash Inflow / (Outflow) from Investing Activities		**880,249**	**558,736**	**(219,019)**
Cash Flows from Financing Activities				
Cash was provided from:				
Hibernian Credit Union Current Account		-	5,976	-
		-	5,976	-
Cash was applied to:				
Hibernian Credit Union Current Account		-	-	2,629
		-	-	**2,629**
Net Cash Inflow / (Outflow) from Financing Activities		**-**	**5,976**	**(2,629)**
Net Increase / (Decrease) in Cash Held		1,006,216	274,143	(220,338)
Opening Cash Balance		1,868,414	1,594,272	1,814,610
Closing Cash and Cash Equivalents		**2,874,630**	**1,868,414**	**1,594,272**

The notes on pages 5-26 form part of and are to be read in conjunction with these financial statements.

The Hibernian Catholic Benefit Society

Notes to the Financial Statements for the year ended 31 March 2013

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 operated predominantly in one industry, being the whole-of-life and endowment insurance. All operations are based in New Zealand. The Society quit insuring from 31 March 2013.

The Society had a provisional insurance license from the Reserve Bank of New Zealand (refer Note 15). This licence was cancelled after the Society quit the insurance business at balance date.
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.

To ensure consistency with the current period, comparative figures have been restated where appropriate.

The financial statements were approved for issue by the Board on 17 June 2013.

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 authorisation of these financial statements certain new standards, interpretations and amendments to existing standards have been issued that are not yet effective at balance sheet date and have not been early adopted.

- NZIFRS9 Amendments to NZ IFRS9 Financial Instruments: recognition and measurement, effective for reporting on or after 01 January 2015.

The Board anticipates the above standards will not have a material impact upon the Society's financial statements upon adoption.

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, over the period earned, 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 policy liabilities:
New Zealand Equivalent to International Financial Reporting Standard No. 34 – 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. Surpluses have arisen from a number of factors, mainly improved mortality.

(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 Note 20.

(iii) Profit Carriers:
Because the Society is a mutual, there is no 'profit carrier' (as defined in IFRS-4) used in the determination of the policy liabilities. The methodology for calculating the policy liabilities for the Assurance and Funeral Funds is a roll-up of the policy-related income and outgoings. The surplus in the Funds over and above the actuary's best estimates of the liabilities at each valuation is considered an allowance for future bonuses and benefit increases and all of the surplus belongs to the members of the Funds.

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. 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 statement of comprehensive income.

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 statement of comprehensive income.

(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 statement of comprehensive income.

All Society loans to members are 'on demand' with repayment installments 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.

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 statement of comprehensive income. 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 statement of comprehensive income 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 previous balance date (refer Note 4b). There were no other 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 was one past due loan of $1,848.66 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.

h) Employee Entitlements:
The Society had no employees at balance date as during the year its administration was outsourced to Munro Benge Chartered Accountants Limited of Wellington.

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 investment income as either realised or unrealised movement.

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 constituted per their respective rules – 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. At 31 March 2013, the Assurance and the Funeral Funds became the Transitional Fund, and are recorded as a liability to members.

3 Cash and Cash Equivalents

	31/3/13	**31/3/12**	**31/3/11**
	$	**$**	**$**
Cash at bank	70,455	68,913	82,808
Call Deposits	1,070,687	616,013	780,414
Term Deposits	1,733,488	1,183,488	731,050
	2,874,630	**1,868,414**	**1,594,272**

Interest rates earned on cash and cash equivalents ranged from 0.25% to 4.5% pa for the period to 31 March 2013 (31 March 2012: 0.25% - 4.5%; 31 March 2011: 0.25% - 8.35%). 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

	31/3/13	31/3/12	31/3/11
	$	$	$
Financial assets at fair value through profit or loss			
Equities:			
New Zealand	492,948	454,391	496,498
Australia	1,040,994	1,252,015	1,420,564
United Kingdom	193,661	191,801	211,047
Other International		296,878	323,062
Property (New Zealand & Australia)	784,861	599,330	576,339
	2,512,463	2,794,415	3,027,510
Fixed Interest Securities:			
NZ Government Stock	-	-	258,306
Auckland City Council	264,656	265,073	102,101
Bank Bonds	915,085	1,047,753	1,009,517
Corporate Bonds	1,759,948	1,710,521	1,865,331
	2,939,683	3,023,347	3,235,255
Total Investments	**5,452,146**	**5,817,762**	**6,262,765**
Loans and Receivables			
Loans to Members – secured by mortgage over real estate	1,175,220	1,274,443	1,645,380
Loans to Members – life policy and other loans	164,329	194,029	186,165
Total Loans to Members	**1,339,548**	**1,468,472**	**1,831,546**
	6,791,701	**7,286,234**	**8,094,311**

Maturity analysis is as follows:

	Total	**0-6 months**	**6-12 months**	**12-18 months**	**18-24 months**	**24 + months**
	$	$	$	$	$	$
Investments	5,452,146	303,045	307,562	98,341	525,324	4,217,873
Loans to Members	1,339,548	58,651	60,204	59,656	55,595	1,105,442
	6,791,693	**361,696**	**367,766**	**157,997**	**580,919**	**5,323,315**

Effective return on financial assets is as follows:

	31/3/13	**31/3/12**	**31/3/11**
Investments	13.13%	1.99%	7.74%
Loans to Members	6.93%	9.24%	7.40%

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 at 2011 balance sheet date (nil at 2012 and 2013), this was a debenture with a face value of $100,000 in Dominion Finance Group Limited (In Receivership) for which an impairment expense in accordance with the Receivers' estimate was made 31 March 2009. As at 31 March 2013 there were $1,848.66 Past Due Assets (loans in arrears) (31 March 2012: Nil; 31 March 2011: Nil).

5 Income on Investments and Loans

	31/3/13	31/3/12	31/3/11
	$	$	$
Interest on Bank Deposits	73,855	57,791	64,132
Dividends on New Zealand Equities	22,946	21,074	15,290
Dividends on Australian Equities	49,200	65,105	57,359
Dividends on UK Equities	10,018	9,383	8,207
Dividends on Property Equities	41,916	36,860	39,038
Interest on Fixed Interest Securities	225,618	236,081	252,340
Interest on Loans to Members	95,624	152,417	93,533
	519,177	**578,711**	**529,899**

6 Gain / (Loss) on Investments

	31/3/13	31/3/12	31/3/11
	$	$	$
Realised Gain / (Loss) New Zealand Equities	(46,652)	-	-
Realised Gain / (Loss) Australian Equities	125,506	-	9,360
Realised Gain / (Loss) UK Equities	-	-	-
Realised Gain / (Loss) International Equities	-	-	-
Realised Gain / (Loss) Fixed Interest Securities	-	(163)	-
	78,854	**(163)**	**9,360**
Unrealised Gain / (Loss) New Zealand Equities	157,397	(45,859)	29,643
Unrealised Gain / (Loss) Australian Equities	5,364	(168,549)	72,214
Unrealised Gain / (Loss) UK Equities	1,860	(19,246)	(20,424)
Unrealised Gain / (Loss) International Equities	-	(26,184)	11,298
Unrealised Gain / (Loss) Property Equities	115,207	22,991	(450)
Unrealised Gain / (Loss) Fixed Interest Securities	27,030	(11,582)	18,585
	306,858	**(248,429)**	**110,866**
	385,711	**(248,592)**	**120,226**
Total Investment and Loan Income	**904,888**	**330,119**	**650,125**

7 **Property, Plant and Equipment Depreciation Schedule as at 31 March 2013**

31 March 2013

	Cost	Opening Book Value 1/4/12	Additions/ Disposals	Loss on Disposal	Depreciation Current Year	Depreciation Period (yrs)	Accumulated Depreciation	Closing Book Value 31/3/13
	$	$	$	$	$		$	$
104 The Terrace								
Furniture	5,953	1,728	-	-	597	10	4,822	1,131
Computer	5,018	1,538	-	-	1,004	5	4,484	534
Timeshare	61,032	61,032	(31,032)	-	-	-	-	30,000
	72,003	**64,297**	**(31,032)**	-	**1,606**		**9,306**	**31,659**

31 March 2012

	Cost	Opening Book Value 1/4/11	Additions/ Disposals	Loss on Disposal	Depreciation Current Year	Depreciation Period (yrs)	Accumulated Depreciation	Closing Book Value 31/3/12
	$	$	$	$	$		$	$
104 The Terrace								
Furniture	5,953	2,325	-	-	597	10	4,225	1,728
Computer	5,018	2,542	-	-	1,004	5	3,480	1,538
Timeshare	61,032	61,032	-	-	-	-	-	61,032
	72,003	**65,898**	-	-	**1,601**		**7,705**	**64,297**

31 March 2011

	Cost	Opening Book Value 1/4//10	Additions/ Disposals	Loss on Disposal	Depreciation Current Year	Depreciation Period (yrs)	Accumulated Depreciation	Closing Book Value 31/3/11
	$	$	$	$	$		$	$
94 Dixon Street-								
Furniture	9,745	4,754	(246)	1,588	597	10	3,628	2,324
Telephone	3,308	1,598	(500)	1,098	-	10	-	-
Computer	27,234	11,182	(711)	6,925	1,004	5	2,476	2,542
Photocopier	9,254	3,665	(750)	2,915	-	5	-	-
Timeshare	61,032	61,032	-	-		-	-	61,032
	110,573	**82,231**	**(2,207)**	**12,524**	**1,601**		**6,104**	**65,898**

8 **Operating Lease Commitments**

The Society has no lease commitments (31 March 2013: Nil; 31 March 2012: Nil).

9 **Commitments for Capital Expenditure and Loans**

As at 31 March 2013 there were no commitments for capital expenditure, and no undrawn first mortgage loans (31 March 2012: Nil; 31 March 2011: Nil). There were no undrawn loans on life policy (31 March 2012: Nil; 31 March 2011: Nil).

10 **Contingent Liabilities**

The Society had no contingent liabilities as at 31 March 2013 (31 March 2012: Nil; 31 March 2011: Nil).

11 Reconciliation of Net Operating Cash Flows to Surplus

	31/3/13	31/3/12	31/3/11
	$	$	$
Surplus / (Deficit) for the year	**(1,328,252)**	**(223,324)**	**(160,658)**
Add / (less) Items Classified as Investing Activity:			
Realised Gain / (Loss) on Investments	78,854	(163)	9,360
Unrealised Gain / (Loss) on Investments	306,858	(248,429)	110,866
Investment Expenses	-	(750)	(1,800)
Increase / (Decrease) in Interest Receivable	(9,642)	30,083	9,206
	(376,070)	**219,259**	**(127,632)**
Add Non Cash Items:			
Depreciation	1,606	1,601	1,601
Loss on Disposal Property, Plant & Equipment	-	-	12,524
Timeshare Writedown	31,032	-	-
Tertiary Bursary Transfer to Liabilities	770	-	-
Increase / (Decrease) in Policy Liabilities	-	(348,000)	214,000
Increase / (Decrease) in Transitional Fund	1,758,836	-	-
	1,791,474	**(346,399)**	**228,125**
Add / (less) Movements in Working Capital:			
Mis-appropriated Funds	-	-	76,026
(Increase) / Decrease in Trade Receivables	(1,570)	(814)	-
Increase / (Decrease) in Branch Dues Payable	(2,200)	(351)	218
Increase / (Decrease) in Trade Payables	42,582	61,057	2,547
Increase / (Decrease) in Employee Entitlements	-	-	(17,317)
	38,812	**59,892**	**61,474**
Net Operating Cash Flows	**125,965**	**(290,568)**	**1,309**

12 Related Party Transactions

a) Hibernian Credit Union Current Account:
The Society undertook the administration for the Hibernian Credit Union. The Credit Union had 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', except that the Society administered the Credit Union for little or no reward.

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

The Credit Union was not a subsidiary and had not been consolidated into the financial statements.

The Credit Union ceased operations in the year ended 31 March 2012.

b) Board of Management Members as Borrowers:
There are no loans to members of the Society's Board of Management.

c) Key Management Staff:
The Society had no employees at balance date as during the 2011 year its administration was outsourced to Munro Benge Chartered Accountants Limited of Wellington. Amounts paid to that firm are shown in Note 17. A director of that firm, Philip O'Brien, is a member of the Society and its Secretary.

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 operated in one industry, being whole of life and endowment insurance members' funds until 31 March 2013. All operations are based in New Zealand.

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 was 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 was not dependent on any one geographic or economic sector for its life insurance business, although there did exist a concentration in the Auckland geographical area. Risk was managed by conducting actuarial valuations on an annual basis and reviewing maturity profiles. All the Society's life insurance contracts were in New Zealand dollars. The Society ceased all life insurance business as at 31 March 2013.

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 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 5.5% to 15% with maturities spread over periods of up to 25 years, apart from home equity loans introduced in October 2000 (total exposure 31 March 2013: $283,611; 31 March 2012: $328,427; 31 March 2011: $788,557) 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:

	31/3/13		**Sensitivity Analysis**			
	Carrying Value $	**Actual Return 3.11%**	**Return 2.11%**	**Impact on Surplus**	**Return 4.11%**	**Impact on Surplus**
Bank Deposits	2,874,630	73,855	50,140	(23,715)	97,571	23,715
	Carrying Value $	**Actual Return 8.47%**	**Return 7.47%**	**Impact on Surplus**	**Return 9.47%**	**Impact on Surplus**
Fixed Interest Securities	2,939,683	252,648	222,833	(29,815)	282,463	29,815
	Carrying Value $	**Actual Return 6.81%**	**Return 5.81%**	**Impact on Surplus**	**Return 7.81%**	**Impact on Surplus**
Loans to Members	1,339,548	95,624	81,584	(14,040)	109,664	14,040

Sensitivity analysis is as follows:

	31/3/12		**Sensitivity Analysis**			
	Carrying Value $	**Actual Return 3.27%**	**Return 2.27%**	**Impact on Surplus**	**Return 4.27%**	**Impact on Surplus**
Bank Deposits	1,868,413	57,791	40,106	(17,685)	75,476	17,685
	Carrying Value $	**Actual Return 7.12%**	**Return 6.12%**	**Impact on Surplus**	**Return 8.12%**	**Impact on Surplus**
Fixed Interest Securities	3,023,347	224,336	192,838	(31,498)	255,835	31,498
	Carrying Value $	**Actual Return 9.9%**	**Return 8.9%**	**Impact on Surplus**	**Return 10.9%**	**Impact on Surplus**
Loans to Members	1,468,471	152,417	137,029	(15,388)	167,805	15,388

Sensitivity analysis is as follows:

	31/3/11		Sensitivity Analysis			
	Carrying Value $	**Actual Return 3.76%**	**Return 2.76%**	**Impact on Surplus**	**Return 4.76%**	**Impact on Surplus**
Bank Deposits	1,594,272	64,132	47,087	(17,044)	81,176	17,044
	Carrying Value $	**Actual Return 7.49%**	**Return 6.49%**	**Impact on Surplus**	**Return 8.49%**	**Impact on Surplus**
Fixed Interest Securities	3,235,255	252,340	218,654	(33,685)	286,025	33,685
	Carrying Value $	**Actual Return 5.86%**	**Return 4.86%**	**Impact on Surplus**	**Return 6.86%**	**Impact on Surplus**
Loans to Members	1,831,546	93,532	77,570	(15,962)	109,494	15,962

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 Society was a small life insurer, having relatively few policies on issue up to 31 March 2013. Therefore the benefit totals in any year could not be predicted within a narrow range. To manage this inherent uncertainty, the Society keeps ample cash and short term bank deposits.

The Society ceased providing insurance benefits as at 31 March 2013.

The liquidity profile for 31 March 2013 is as follows:

	Total $	**0-6 months $**	**6-12 months $**	**12-18 months $**	**18-24 months $**	**24 + months $**
Monetary Assets Receivable						
Cash/Cash Equivalents	2,886,395	2,886,395	-	-	-	-
Financial Assets	3,557,595	406,038	396,413	427,107	571,538	1,756,500
Loans to Members	1,609,060	101,713	99,410	96,954	91,822	1,219,161
Interest Receivable	115,299	115,299	-	-	-	-
	8,168,349	**3,509,445**	**495,823**	**524,061**	**663,360**	**2,975,661**
Monetary Liabilities Payable						
Branch Dues Payable	16,522	16,522	-	-	-	-
Trade Payables	125,650	125,650	-	-	-	-
	142,172	**142,172**	-	-	-	-

The liquidity profile for 31 March 2012 is as follows:

	Total	0-6 months	6-12 months	12-18 months	18-24 months	24 + months
	$	$	$	$	$	$
Monetary Assets Receivable						
Cash/Cash Equivalents	1,885,089	1,681,339	203,750	-	-	-
Financial Assets	3,512,220	113,797	113,797	407,797	396,297	2,480,532
Loans to Members	1,764,506	106,481	101,896	96,836	95,799	1,363,494
Interest Receivable	124,942	124,942	-	-	-	-
	7,286,757	**2,026,559**	**419,443**	**504,633**	**492,096**	**3,844,026**
Monetary Liabilities Payable						
Branch Dues Payable	18,722	18,722	-	-	-	-
Trade Payables	83,064	83,064	-	-	-	-
	101,786	**101,786**	-	-	-	-

The liquidity profile for 31 March 2011 is as follows:

	Total	0-6 months	6-12 months	12-18 months	18-24 months	24 + months
	$	$	$	$	$	$
Monetary Assets Receivable						
Cash/Cash Equivalents	1,484,878	1,484,878	-	-	-	-
Financial Assets	7,113,548	499,887	301,823	215,075	187,635	5,909,129
Loans to Members	2,257,650	117,116	114,153	112,627	110,488	1,803,266
Interest Receivable	134,858	134,858	-	-	-	-
Hibernian Credit Union	5,976	5,976	-	-	-	-
	10,996,910	**2,242,715**	**415,976**	**327,702**	**298,123**	**7,712,395**
Monetary Liabilities Payable						
Branch Dues Payable	19,073	19,073	-	-	-	-
Trade Payables	22,008	22,008	-	-	-	-
	41,081	**41,081**	-	-	-	-

Loan terms vary but all loans are on demand.

	31/3/13	**31/3/12**	**31/3/11**
The monthly repayments on loans for the period represent an average loan term of	83 months	89 months	108 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	33%	33%	50%

f) <u>Credit Exposure Concentrations</u>:
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) <u>Currency Risk</u>:
Some financial instruments of the Society are subject to foreign currency fluctuations. 13.5% of the Society's financial instruments are in Australian dollar denominated assets and 10% 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.

Other Price Risk:
The Society has $5,452,146 invested in instruments quoted on public securities exchanges. These financial instruments are subject to price fluctuations.

Sensitivity analysis is as follows:

	31/3/13		Sensitivity Analysis			
	Carrying Value $	**Unrealised Gain / (Loss)**	**10% Price Decrease**	**Impact on Equity**	**10% Price Increase**	**Impact on Equity**
Equities	2,512,462	279,828	2,261,216	(251,246)	2,763,708	251,246
Fixed Interest Securities	2,939,683	27,030	2,645,715	(293,968)	3,233,651	293,968
	5,452,145	**306,858**	**4,906,931**	**(545,215)**	**5,997,360**	**545,215**

Sensitivity analysis is as follows:

	31/3/12		Sensitivity Analysis			
	Carrying Value $	**Unrealised Gain / (Loss)**	**10% Price Decrease**	**Impact on Equity**	**10% Price Increase**	**Impact on Equity**
Equities	2,794,415	(236,847)	2,514,973	(279,442)	3,073,857	279,442
Fixed Interest Securities	3,023,348	(11,582)	2,721,013	(302,335)	3,325,683	302,335
	5,817,762	**(248,429)**	**5,235,986**	**(581,777)**	**6,399,540**	**581,777**

Sensitivity analysis is as follows:

	31/3/11		Sensitivity Analysis			
	Carrying Value $	**Unrealised Gain / (Loss)**	**10% Price Decrease**	**Impact on Equity**	**10% Price Increase**	**Impact on Equity**
Equities	3,027,510	92,281	2,724,759	(302,751)	3,330,261	302,751
Fixed Interest Securities	3,235,255	18,585	2,911,729	(323,526)	3,558,781	323,526
	6,262,765	**110,866**	**5,636,488**	**(626,277)**	**6,889,042**	**626,277**

15 Solvency and Reserve Bank Licence

The Society insurance license was cancelled after it closed its insurance–type funds as at 31 March 2013. No actuarial solvency considerations are relevant from that date.

16 Investment Revenue Account

	Note	31/3/13 $	31/3/12 $	31/3/11 $
Income				
Income on Investments and Loans	5	519,177	578,711	529,898
Realised Gain / (Loss) on Investments	6	78,854	(163)	9,360
Unrealised Gain / (Loss) on Investments	6	306,858	(248,429)	110,866
		904,888	**330,119**	**650,124**
Expenses				
Investment Consultancy Charges		-	750	1,800
Management Charge	17	79,225	107,962	58,195
		79,225	**108,712**	**59,995**
Net Investment Revenue for the year		**825,663**	**221,406**	**590,129**
Allocation to individual Equity Funds				
Assurance Fund	18	563,129	10,493	359,573
Funeral Fund	19	209,612	3,995	142,458
Retraining Fund	21	932	18	591
Tertiary Bursary Fund	22	1,442	33	1,357
Benevolent Fund	23	4,675	90	3,001
Medical Assistance Fund	24	4,267	79	2,557
Transfer to Management Funds	17	41,606	206,699	80,592
		825,663	**221,406**	**590,129**

17 Management Fund

		31/3/13 $	31/3/12 $	31/3/11 $
Administration Expenses				
Staff Salaries and Related Expenses (prior to outsourcing)		-	-	51,151
Rent and Related Occupancy		-	-	21,706
Equipment and Software Support		661	950	4,351
Depreciation		1,606	1,601	1,601
Operating -	Munro Benge Admin Services Fee	123,250	143,187	95,360
	Fees and Subscriptions	1,278	1,634	915
	Filing Fees	2,625	2,327	4,071
	Insurance	(500)	1,708	14,175
	Miscellaneous Administration	1,829	734	4,437
	Postage and Distribution	4,256	8,597	8,523
	Printing and Stationery	5,671	5,940	5,791
	Telephones	1,047	1,614	3,395
Professional -	Actuary	8,610	24,369	5,967
	Audit	14,375	8,050	10,350
	Systems & Procedures Review	-	8,188	-
	Legal	-	-	7,470
Board of Management		9,474	20,317	12,669
Annual Meeting		6,740	8,339	7,306
Marketing and Website		5,969	-	955
Sponsorship		13,364	16,147	-
		200,255	**253,702**	**260,194**

	31/3/13	31/3/12	31/3/11
	$	**$**	**$**
Non Routine Expenses			
Loss on Disposal of Property, Plant & Equipment	-	-	12,524
Admin Services – Munro Benge	82,225	131,709	5,715
Actuary	43,914	-	-
Filing Fees – FMA	2,000	-	-
Office Relocation	-	-	12,542
Postage & Distribution	4,830	1,500	-
Legal	56,507	149,058	-
Board of Management	6,394	3,843	-
	195,870	**286,110**	**30,781**
Timeshare Holiday Accommodation	**11,684**	**11,455**	**11,691**
	407,808	**551,267**	**302,666**

		31/3/13	31/3/12	31/3/11
Income and Transfers		**$**	**$**	**$**
Branch Management Charge		59,722	49,473	50,819
Loan Management Fees		30	-	1,850
Commissions Received		8,457	10,248	11,112
Other Income		72	196	315
Fidelity Insurance		86,760	-	-
Management Charges -	Assurance Fund	79,225	107,962	58,195
	Funeral Fund	39,612	53,981	29,097
	Retraining Fund	500	500	500
	Tertiary Bursary Fund	500	500	500
	Benevolent Fund	500	500	500
	Medical Assistance Fund	500	500	500
	Investments	79,225	107,962	58,195
Timeshare -	Rents Received	9,799	10,325	8,690
	Management Charge	1,300	2,420	1,800
Transfer from Investment Revenue		41,606	206,699	80,592
		407,808	**551,267**	**302,666**

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

(a) Assurance Fund – Policy Liabilities

	Note	31/3/13 $	31/3/12 $	31/3/11 $
Opening Balance		5,224,000	5,446,000	5,294,000
Actuary increase in policy liabilities		-	(222,000)	152,000
Policy liabilities transferred to Transitional Fund		(5,224,000)	-	-
Closing balance		**-**	**5,224,000**	**5,446,000**

The Assurance Fund Policy Liability represented the estimated benefit entitlement of each member holding a policy in the fund. The best estimate liability was calculated in accordance with accounting policies disclosed in note 1.2 and measured by the Society's appointed actuarial, Linda Caradus (Fellow of NZ Society of Actuaries) of Melville Jessup Wever.

The last actuary report was completed and issued 21 June 2012.

At the Society's Special Meeting on 16 March 2013 it was agreed the Society would cease all insurance business, and all insurance cover would cease as at midnight 31 March 2013. As a result the policy liability balance previously recorded has been transferred to a Transitional Fund liability balance payable to members.

(b) Assurance Fund – Equity Reserve

	Note	31/3/13 $	31/3/12 $	31/3/11 $
Opening balance		**1,372,576**	**1,487,860**	**1,552,937**
Income				
Members Contributions		177,100	178,283	177,954
Interest on Contribution Arrears		30,461	7,314	99
Transfer from Investment Revenue	16	563,129	10,492	359,572
Decrease in Policy Liabilities		-	222,000	-
		770,690	**418,089**	**537,625**
Expenditure				
Matured Policies		17,377	21,767	28,764
Death Benefits		154,420	209,787	148,747
Surrendered Policies		69,628	158,088	155,327
Lapsed Policies		67,473	14,528	-
Actuarial Fees			20,510	8,826
Agents Commissions		(1,013)	731	5,675
Management Charge	17	79,225	107,962	58,195
Increase in Policy Liabilities		-	-	152,000
Increase in Transitional Fund Liability		1,756,155	-	-
Mis-appropriated Funds		-	-	45,170
		2,143,265	**533,375**	**602,704**
Net Increase / (Decrease) for the year		**(1,372,576)**	**(115,285)**	**(65,077)**
Closing balance		**-**	**1,372,576**	**1,487,860**

Of the transfer from Investment Revenue for the year ended 31 March 2013, $209,287 is unrealised income (31 March 2012 ($11,781); 31 March 2011 $67,755).

The Assurance Fund Equity Reserve represents the balance of assets in the fund over those required to support members' current benefit entitlements as determined by the actuary and represents monies belonging to members in accordance with Society Rules. Each reporting period a pro rata share of investment income and associated management and administrative costs are allocated to the reserve.

As at 31 March 2013 the equity reserve balance was transferred to the Transitional Fund Liability. As at this date the Society ceased providing insurance cover and the Society has an obligation in accordance with its Rules to pay out the balance of member's funds associated with the provision of these insurance contracts, hence a liability balance is recognised.

(c) Assurance Fund – Transitional Fund

	31/3/13	31/3/12	31/3/11
	$	$	$
Opening balance	-	-	-
Increase in Transitional Fund	6,980,155	-	-
Closing balance	**6,980,155**	-	-

The Transitional Fund represents the member's share of the Fund payable upon cancellation of Society insurance policies as at midnight 31 March 2013.

The Society expects to pay the money owing to former policy holders progressively, as investment fund mature and become available.

19 Funeral Fund

(a) Funeral Fund – Policy Liabilities

	31/3/13	31/3/12	31/3/11
	$	$	$
Opening balance	2,525,000	2,651,000	2,606,000
Actuary increase in policy liabilities	-	(126,000)	45,000
Policy liabilities transferred to Transitional Fund	(2,525,000)	-	-
Closing balance	-	**2,525,000**	**2,651,000**

The Funeral Fund Policy Liability represented the estimated benefit entitlement of each member holding a policy in the fund. The best estimate liability was calculated in accordance with accounting policies disclosed in note 1.2 and measured by the Society's appointed actuarial, Linda Cardus (Fellow of NZ Society of Actuaries) of Melville Jessup Wever.

The last actuary report was completed and issued 21 June 2012.

At the Society's Special Meeting on 16 March 2013 it was agreed the Society would cease all insurance business, and all insurance cover would cease as at midnight 31 March 2013. As a result the policy liability balance previously recorded has been transferred to a Transitional Fund liability balance payable to members.

(b) Funeral Fund – Equity Reserve

	Note	31/3/13	31/3/12	31/3/11
		$	$	$
Opening balance		**(69,578)**	**30,784**	**106,673**
Income				
Members Contributions		16,508	22,314	29,452
Transfer from Investment Revenue	16	209,612	3,995	142,458
Decrease in Policy Liabilities		-	126,000	-
		226,120	**152,309**	**171,910**
Expenditure				
Funeral Benefits		111,265	164,595	142,213
Surrendered Benefits		1,495	143	980
Actuarial Fees		2,264	33,741	12,542
Agents Commissions		(6)	210	80
Management Charge	17	39,612	53,981	29,097
Increase in Policy Liabilities		-	-	45,000
Increase in Transitional Fund		1,911	-	-
Mis-appropriated Funds		-	-	17,888
		156,542	**252,671**	**247,800**
Net Increase / (Decrease) for the year		**69,578**	**(100,361)**	**(75,889)**
Closing balance		**-**	**(69,578)**	**30,784**

Of the transfer from Investment Revenue for the year ended 31 March 2013, $77,902 is unrealised income (31 March 2012: ($4,486); 31 March 2011: $26,844).

The Funeral Fund Equity Reserve represents the balance of assets in the fund over those required to support members' current benefit entitlements as determined by the actuary and represents monies belonging to members in accordance with Society Rules. Each reporting period a pro rata share of investment income and associated management and administrative costs are allocated to the reserve.

As at 31 March 2013 the equity reserve balance was transferred to the Transitional Fund Liability. As at this date the Society ceased providing insurance cover and the Society has an obligation in accordance with its Rules to pay out the balance of member's funds associated with the provision of these insurance contracts, hence a liability balance is recognised.

(c) Funeral Fund – Transitional Fund

	31/3/13	31/3/12	31/3/11
	$	$	$
Opening balance	-	-	-
Increase in Transitional Fund	2,526,911	-	-
Closing balance	**2,526,911**	-	-

The Transitional Fund represents the member's share of the Fund payable on Society upon cancellation of insurance policies as at midnight 31 March 2013.

The Society expects to pay the money owing to former policy holders progressively, as investment fund mature and become available.

20 Actuarial Policies and Methods:

Due to Society ceasing to provide insurance cover from 31 March 2013, no actuarial report has been completed for the year ended 31 March 2013. An actuarial report will be completed subsequent to balance date to confirm the fund balances payable to individual members; however this exercise is not expected to change the liability balance recorded in the Transitional Fund Liability balances.

Previous year actuarial estimates
The last actuary report was completed and issued 21 June 2012.

The actuary stated that she was satisfied as to the accuracy of data upon which the calculation of policy values has been made. The amounts of policy liabilities and the solvency reserves have now been replaced by the terminal values of policies.

Assumptions
Policy liabilities had 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 were 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 (2012: 6.5%; 2011: 6.5%), 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 were 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 per policy were (2012: $135.13; 2011: $141) for the Assurance Fund and per policy (2012: $38.21; 2011: $39.56) in the Funeral Fund.

Future mortality was assumed to be in accordance with a percentage of the NZ97 aggregate male and female tables for insured lives: Assurance Fund (2012: 80%; 2011: 80%) and Funeral Fund. (2012:80%; 2011: 80%).

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 for 2013 is no longer applicable (2012: between nil and 10%; 2011: between nil% and 10%) and Funeral Fund for 2013 is no longer applicable (2012: between nil and 5%; 2011: between 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 increases.

21 Retraining Fund

	Note	31/3/13 $	31/3/12 $	31/3/11 $
Opening balance		**10,917**	**11,339**	**11,262**
Income				
Members Contributions		45	60	60
Investment Revenue	16	932	18	591
		977	**78**	**651**
Expenditure				
Management Charge	17	500	500	500
Mis-appropriated Funds		-	-	74
		500	**500**	**574**
Net Increase / (Decrease) for the year		**477**	**(422)**	**77**
Closing balance		**11,394**	**10,917**	**11,339**

Of the transfer from Investment Revenue for the year ended 31 March 2013, $346 is unrealised income (31 March 2012 ($20); 31 March 2011 $111).

22 Tertiary Bursary Fund

	Note	31/3/13 $	31/3/12 $	31/3/11 $
Opening balance		**(109)**	**3,965**	**25,844**
Income				
Members Contributions		2,169	1,935	3,115
Investment Revenue	16	1,442	33	1,357
		3,611	**1,968**	**4,472**
Expenditure				
Bursaries Paid		2,232	2,674	2,860
Contributions Refunded to Member		-	2,868	5,819
Agents Commissions		-	-	-
Management Charge	17	500	500	500
Increase in Policy Liabilities		-	-	17,000
Transfer to Liabilities		770	-	-
Mis-appropriated Funds		-	-	171
		3,502	**6,042**	**26,350**
Net Increase / (Decrease) for the year		**109**	**(4,074)**	**(21,878)**
Closing balance		**-**	**(109)**	**3,965**

Of the transfer from Investment Revenue for the year ended 31 March 2013, $536 is unrealised income (31 March 2012: ($37); 31 March 2011: $256).

23 Benevolent Fund

	Note	31/3/13	31/3/12	31/3/11
		$	**$**	**$**
Opening balance		**54,768**	**57,528**	**57,133**
Income				
Credit Union donation		-	100	-
Investment Revenue	16	4,675	90	3,001
		4,675	**190**	**3,001**
Expenditure				
Grants Paid		2,750	2,450	1,750
Management Charge	17	500	500	500
Mis-appropriated Funds		-	-	377
		3,250	**2,950**	**2,627**
Net Increase / (Decrease) for the year		**1,425**	**(2,760)**	**375**
Closing balance		**56,193**	**54,768**	**57,528**

Of the transfer from Investment Revenue for the year ended 31 March 2013, $1,738 is unrealised income (31 March 2012: ($101); 31 March 2011: $566).

24 Medical Assistance Fund

	Note	31/3/13	31/3/12	31/3/11
		$	**$**	**$**
Opening balance		**49,987**	**50,408**	**48,674**
Income				
Investment Revenue	16	4,267	79	2,556
		4,267	**79**	**2,556**
Expenditure				
Grants Paid		-	-	-
Management Charge	17	500	500	500
Mis-appropriated Funds		-	-	321
		500	**500**	**821**
Net Increase / (Decrease) for the year		**3,767**	**(421)**	**1,734**
Closing balance		**53,755**	**49,987**	**50,408**

Of the transfer from Investment Revenue for the year ended 31 March 2013, $1,586 is unrealised income (31 March 2012: ($88); 31 March 2011: $482).

25 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.

At 31 March 2013 the Society's timeshares were written down to $30,000, being the Society's estimate of market value.

26 Significant Events After Balance Date

There are no significant events subsequent to the balance date and up to the time of preparation of these financial statements, which materially affect the position as it existed at that date.

The Society is suing its former auditors Grant Thornton in respect of the frauds of a former employee of the Society prior to August 2010. No estimate of recovery by this means, has been made.

WHK

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Hibernian Catholic Benefit Society

Report on the Financial Statements

We have audited the financial statements of The Hibernian Catholic Benefit Society (the "Society") on pages 1 to 26, which comprise the balance sheet as at 31 March 2013, the statement of comprehensive income, and statement of changes in equity and statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the Financial Statements

The Board of Management are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate; this includes the design, implementation and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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, the Society.

Opinion

In our opinion, the financial statements on pages 1 to 26:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the Society as at 31 March 2013 and the results of its operations and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993 require us to comment on whether we have obtained all the information and explanations that we have required from the Society and whether we consider that proper accounting records have been kept by the Society.

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

In our opinion proper accounting records have been kept by Society as far as appears from our examination of those records.

WHK

WHK New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
17 June 2013