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FOR
2015 ANNUAL MEETING
OF
THE HIBERNIAN CATHOLIC BENEFIT SOCIETY
SATURDAY 25 JULY 2015

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2015 ANNUAL MEETING
NOTICE OF MEETING

Notice is hereby given that the Annual Meeting of The Hibernian Catholic Benefit Society will be held at The Thorndon Hotel, Cnr Hawkestone St & Portland Crs. Wellington, on Saturday 25th July 2015 at 11.00am.

HOSTS FOR MEETING
St John's, Onslow/Jville, Wellington.

ANNUAL MASS

The Annual Mass for those attending the Society's Annual Meeting, and for members and visitors generally, will be held at Mass at Sacred Heart Cathedral, Hill St, Thorndon on Saturday 25 July 2015 at 5.30pm, with the installation of officers taking place during Mass.

ORDER PAPER (Rule 6.3)

1. Opening Prayer
2. Roll Call
3. Preliminary
4. Confirmation of Minutes of 2014 Annual Meeting held on 19 July 2014
5. Matters arising from Previous Meeting
6. Notice of Items to be introduced in General Business
7. Board of Management Annual Report including Deceased Members
8. Annual Financial Statements 2014/2015 and Auditors' Report
9. Appointment of Auditors
10. New Members Register
11. Correspondence
12. Notices of Motion
13. Election of Officers

Two nominations have been received for two vacancies on the Board of Management. The eligible candidates are Br WJB (Bede) Brittenden (Auckland) Br Peter Delaney (Wellington)

14. Management Charge Review (copy attached)
15. General Business.

Jocelyn Delaney
Secretary,
The Hibernian Catholic Benefit Society
15 June 2015

MINUTES OF THE ANNUAL MEETING OF THE HIBERNIAN CATHOLIC BENEFIT SOCIETY HELD AT THE ABEL TASMAN HOTEL CNR OF DIXON AND WILLIS STREETS, WELLINGTON, ON SATURDAY 19 JULY 2014 TO COMMENCE AT 11AM

The President, Br Gordon Stewart called the meeting to order at 11.03am.

1) WELCOME & OPENING:

Br Stewart welcomed delegates and members to the Annual Meeting of the Hibernian Catholic Benefit Society and asked the Reverend Father Alliston Fernandes of the IPCE to address the delegates and then formally open the meeting with a prayer.

Fr Alliston then addressed the meeting briefly on religious matters and opened the meeting with the Society prayer.

The President advised the delegates that he would be adhering to the Order Paper as published and as per Rule 6.3, and asked that the delegates cooperate by doing so as well.

2) ROLL CALL:

The President asked the Secretary to call the roll of Board and Branch delegates, and members answered as present as follows:

Members of the Board of Management

President of the Society	Br G R Stewart
Other Elected Board Members	Br T W Cotter
	Br P Delaney
	Br G K Frost
	Sr S M Healy
	Br P G Horan(V-P)
	Br P J Sumby
Secretary	Br P M O'Brien

Branch Delegates

St Joseph's Branch No 73, Dunedin	Br K G Hurring
	Br W R McRae
St Patrick's Branch No 82, Christchurch	Br R Morris
	Br A M Baker
	Br P J Doody
St Patrick's Branch No 115, Blenheim	Br G S Eaton
	Sr C E Piesse
	Br J R Lawson
	Sr C Lawson
St Joseph's Branch No 172, Hastings	Sr R A Horan
	Br A J Horan
	Br P J Walden
	Br E M Brunton
	Br J E Horan

	Sr C A Horan Br B R Urwin Sr C M MacKay Sr F A Horan Br B M Brunton Sr A Brunton
St Aloysius Branch No 399, Wellington	Br P J Sumby Br P C Gini
St Patrick's Branch No 400, Palmerston North	Br I B Bailey Br D H Gardner Br K P O'Leary Br J P Meyer Sr E A Lawn
St Patrick's Branch No 420, Ashburton	Br P J O'Neill Sr M K O'Neill Br B E Tutty Sr B T Tutty
St Peter Chanel Branch No 828, Auckland St John's Branch No. 854, Onslow/Jville	Br L T Neal Br K J Redmond Br G T Sinnott
St Joseph's Branch No 962, Wellington	Br P M Joseph

The President asked if there were any other persons present? There was no reply. (only the microphone runners were in attendance).

3) **PRELIMINARY:**

Notice of Meeting The President said that notice had been duly given and would be taken as read.

Proxies

The Secretary advised that following the Notice of Meeting, proxies had been received from branches that made appointments to vote on their behalf as follows:

To Br P M O'Brien

St Mary's Branch No. 3 Wellington

St Peter & Paul Branch No 436, Lower Hutt

Sacred Heart Branch No 533, Petone.

To Br Chairman G R Stewart

St Mary's Branch No 620, Nelson

Apologies

The Secretary advised:

(i) Already received-

Board of the Society

St Patrick's Branch No.115, Blenheim

St Joseph's Branch No.172, Hastings

St Patrick's Branch No.400 Palmerston North

St Mary's Branch No. 620, Nelson

Br W JB Brittenden (Life Member)

Sr M J McKee

Br K Stinson (Life Member)

Sr A Stinson

Sr P C Frost

Br D Allen

St John's Branch No. 854, Onslow/Jville

Br P E McGill

(ii) The President asked if there were any from the floor?

St Joseph's Branch No. 172, Hastings

Sr G Brunton

St Patrick's Branch No. 400, Palmerston North

Sr A M Odogwu

St Joseph's Branch No. 962, Wellington

Br R W James

These apologies were

Sustained

Meeting Officials

The following meeting officials, as proposed by the Board, were **confirmed**

Minute Secretary	Secretary of the Society
Returning Officer	Br K P O'Leary
Scrutineers	Br R Morris
	Br P J Doody
Timekeeper	Sr M K O'Neill

4) MINUTES OF 2013 ANNUAL MEETING:

(i) It was **Moved**

That the minutes of the annual meeting held on 20 July 2013 in Blenheim, having been circulated, be taken as read. **Carried**

That the minutes of the annual meeting held on 20 July 2013 in Blenheim be **confirmed** as a true and correct record of the meeting. **Carried**

5) MATTERS ARISING FROM PREVIOUS MEETING:

No matters were raised.

Notice of Items to be introduced in General business

The President gave notice of the first five items, and asked for any others for the Secretary to add.

6) BOARD OF MANAGEMENT ANNUAL REPORT:

(i) **Requiescant in Pace**

Delegates and members stood in silent reflective prayer for the repose of deceased members of the Society and their wives, husbands, widows and widowers, especially those who had been recorded as passing away in the year ended 31 March 2014.

(ii) **Moved** that the annual report of the Board of Management, for the year ended 31 March 2014 be adopted. (Stewart/Cotter)

Speaking to the report the President said that the Society had come through a very trying time for the last three years, and that he looked forward to the future. He said the Society will encounter

similar problems to the past but should go forward with confidence and put its trust in divine Providence.

He thanked the Secretary and his firm Munro Benge Chartered Accountants, and advised the meeting that Munro Benge had given notice that they wish to quit the administrative side of the Secretary's role.

Brother Stewart said that the Board had commenced a tender process for the Society's future administration.

Management Fund

The President thanked the trustees for their sound stewardship. He said there had been vigorous but good hearted debate.

Speaking further to his Annual Report the President said that of the non-routine expenses in the management fund, \$20,125 paid to Melville Jessup Weaver was for the actuarially calculated termination values for member's assurance policies and their funeral benefits.

Of the \$69,506 legal expenses, \$57,982 was paid to lawyers to pursue legal action against the former auditors, and \$11,500 to register the debt against Ms Hagai's house. He said this amount was a reduction from the actual bills charged. Ms Hagai was paying the Society \$30 per week. Of the \$104,213 paid to Munro Benge, \$18,515 was for work done in relation to suing the former auditors and Ms Hagai. \$85,698 was for work done preparing and converting member's life insurance and funeral benefits to be the Transitional Fund and making large bulk payments. Transitional Fund payments became part of Munro Benge's normal contract fee from 1 December 2013.

The President said that he trusted that delegates had made themselves familiar with the circumstances of these non-routine expenses which were covered in the papers they had, and invited delegates' discussion.

Br L T Neal, St Peter Chanel 828, Auckland congratulated the board trustees and secretary for their management of the society. He said the Society had been let down in two areas first, Ms Hagai's fraud on the Society; he asked for more explanation as to the charge on her house. Secondly he said that the Insurance (Prudential Supervision) Act struck against friendly societies by the government. He said that societies like ours had 150 years of track record. There were very few situations where friendly societies were a problem to governments. He did not understand why friendly societies had been picked on; why they are targeted?

The President replied that the charge on Ms Hagai's house was like a mortgage. As to the government, he said that societies were not targeted, but not given exemptions as might be expected. He said the fraud had put the society in a weak position to go to the government to seek relief back at the time. The Board had just agreed to approach the government to address problems with the Insurance (Prudential Supervision) Act and other new laws. He expressed his own willingness to help even though he would not be a Board member.

Br Neal said that friendly societies were seen as small warts to be frozen off; he said that Br Stewart's help would be welcome.

Br J P Meyer St Patrick's 400, Palmerston North said that as regards to being "picked on", he said that three persons present at the meeting had visited the Reserve Bank who were clearly not interested. He said the Society would need to unite with others to progress, but expect little.

The **motion** to adopt the annual report of the board of management on being put to the meeting was **Carried**

7) ANNUAL FINANCIAL STATEMENTS AND AUDITORS REPORT:

On behalf of the Board it was

Moved that the Annual Financial Statements for year ended 31 March 2014 and the accompanying auditors report be adopted.

At the President's request the Secretary commented on the annual financial statements. The Secretary pointed out the reduction in investment income for the year and said this would continue to decrease in the current year. Looking at the Management Account he pointed out the further reduction of administration expenses down to \$160,000. He said it was difficult to keep on reducing expenses in line with reduced income, due to the inherent lumpier nature of the expenses, Non routine expenses had continued high to 31 March, but after balance date had almost disappeared.

Br L T Neal, St Peter Chanel 828, Auckland referred to the Investment Income and Allocation Account and asked about the \$70,000 realised loss on the sale of investments. The Secretary said this was mostly a result of the sale of Australian equities last winter when the Australian equities market had dropped since balance date and the New Zealand dollar had risen against the Australian dollar. In reply to Br Neal's further query on the \$32,000 unrealised loss on investments, the Secretary advised this was due to a change in accounting policies when it was decided that the listed investments, all being bonds, would be carried in the books at face value. This change in accounting policies was decided because the society investments were normally held to maturity.

The President then put the motion to the vote and it was

Carried

8) APPOINTMENT OF AUDITORS:

Moved that Crowe Horwath be appointed auditors for the year ended 31 March 2015

(Chair / P Joseph). **Carried**

9) NEW MEMBERS REGISTER

The President presented the Past Officers Shield, to Sr C M MacKay, receiving it on behalf of St Joseph's Branch No.172, Hastings which had 7 new members during the financial year.

10) CORRESPONDENCE

The Secretary advised that none had been received.

11) NOTICES OF MOTION AND PROPOSED RULE CHANGES

Moved that the Society adopt the following new Rule 9.1:

9.1. CONSTITUTION AND POWERS OF THE BOARD

- (i) That rule 9.1.2 be amended by

Deleting all words after "eight elected members" and substituting with "six elected members. The President and Vice President shall be elected from the members of the Board." (Horan/Stewart)

Br Horan, Board, said that the reduction in size of the Board would reduce costs. Also the simpler investments meant that the trustees would seldom need to meet, so did not need 3 Wellington Board Members.

Carried

FOR CONFIRMATION

Interpretation of the Board under rule 21.2.1 as the correction of a manifest mistake.

- (ii) That Rule 9.1.3 be amended by

After the words “in good standing” insert the words “and reside in New Zealand. Any Board member who subsequently ceases to reside in New Zealand will immediately forfeit membership of the Board.”

After the words “No employee of the Society” remove the comma and add the word “or” Correct the spelling of “contactor” to “contractor”.

(Horan/Stewart)

Carried

OTHER

- (iii) That Rule 9.1.8 be amended by

Adding “either in person or electronically,” after “meet” in the first line.

(Horan/Stewart)

Carried

- (iv) That Rule 9.1.9 be amended by

Deleting “five” and substituting with “four”.

Br Stewart said the quorum should be reduced to match new Board size.

(Horan/Stewart)

Carried

Carried

Rule 10.1 Appointment of Trustees

- (v) That Rule 10.1.3 be amended by deleting all words after “Board”

[This removes all reference to the trustees living in Wellington].

- (vi) That Rule 10.1.4 be deleted [Consequential]

(Horan/Stewart)

Br A J Horan, St Joseph’s 172, Hastings agreed that this rule change reflected the new technology for modern day e-transfers and Skype

Br P M Joseph, St Joseph ‘s 962, Wellington also agreed. He said that physical presence was not needed.

Carried

Rule 12.3 Amalgamation and De-Registration of Branches

Taken together

- (vii) That Rule 12.3.2 be amended by

Insert before the word “decide” the words “eligible to vote and voting”

- (vii) That Rule 12.3.3 be amended by

Insert before the word “decide” the words “eligible to vote and voting”.

(Horan/Stewart)

Br PJ O’Neill, St Patrick’s 420 Ashburton said that rule 12.5 Secession of Branches was similar and should receive analogous treatment. Br P G Horan, Board replied that secession was treated differently in the Act, so this rule did not need to be changed in line with the Act. Br D H Gardner, St Patrick’s 400, Palmerston North said that the Br 117 Secretary had tried to resign for 7 years. It was an expensive problem, it being nearly impossible to obtain

75% consent by mail to transfer of engagements. He hoped the new rule would smooth future branch transfers.

Carried

Moved on behalf of the Board

Rule 16 and Rule 18 were taken together

Rule 16 Accounts of the Society – Branches

- (ix) That Rule 16.2.1 be amended by
Deleting all after the first sentence
- (x) That Rule 16.2.2(b) be amended by
Deleting “duly audited” after “document” in the first line

Rule 18 Auditors – Branches

- (xi) That Rule 18.2.1 be amended by
Deleting existing rule and replace with:
If required under section 64A of the Act or under the New Zealand Accounting Standards Framework, or by resolution of the meeting, Branch Auditors or Reviewers shall be elected at the branch annual meeting. (Horan/Stewart)

Br P G Horan, Board, explained that even though the new accounting laws allowed for different accounting standards based on size, the Society’s existing rules require every branch to be audited, which according to new financial reporting standards would mean a full audit by a qualified auditor. He said these rule changes were aimed at reducing branch costs.

The Secretary in response to a question by Br A J Horan said that the technical meaning of “review” was a negative assurance; that the reviewer in examining or compiling the Accounts had not seen anything to indicate the financial statements were not fair. He said it was lower a standard of assurance than an audit.

Br G T Sinnott, St John 854, Onslow/J’ville asked what was the dollar value cut off for an audit or review. He was told that the thresholds were now abolished, hence the need for the rule changes. Branches could still opt for an audit or review if they wished.

The motion was put to the meeting and was

Carried

All rule 34 amendments were taken together

Rule 34 Society’s Medical Assistance Fund

Moved on behalf of the Board.

- (xii) Delete existing rule 34 (both 34.1 and 34.2)
- (xiii) Insert the following new rules:
 - 34. Medical Assistance Scheme
 - 34.1 Closure of FundNotwithstanding any other provision of these Rules or the Rules prior to this amendment, the Society’s Medical Assistance Fund shall be terminated at midnight on 31 July 2014 and no further payments shall be made from that fund except as provided in Rules 34.2 and 34.4.

34.2 Distribution of Fund

On approval, by the Board, of rules submitted by a branch for a Medical Assistance Scheme, the branch shall be paid a sum from the Medical Assistance Fund proportionate to its membership of the Society as at 31 July 2014.

34.2.2 Where two or more Branches amalgamate:

- a) And none of the Branches has established a Medical Assistance Scheme, on approval, by the Board, of rules submitted by the amalgamated branch for a Medical Assistance Scheme the amalgamated Branch shall receive payment of the sum which would have been paid to each branch proportionate to their membership for the Society as at 31 Jul 2014.
- b) And one or both of the amalgamating branches has an established Medical Assistance Scheme; on approval by the Board of rules submitted by the amalgamated branch, the amalgamated Branch may apply for such funds that may be due to those Branches, proportionate to their membership of the Society as at 31 July 2014; in order to extend its current scheme to cover those members.
- c) Where a Branch has an established Medical Assistance Scheme; on approval by the Board of rules submitted by the Branch, it may apply for such funds that may be due to it, proportionate to its membership of the Society as at 31 July 2014, in order to extend its current scheme to cover those members.

34.2.3 If after 1 April 2016, there remains a balance in the fund, the board may make a further distribution to branches with Medical Assistance Schemes approved by the Board or may transfer the balance to the Society's Benevolent Fund.

34.3 Management charge

The Society's Management fund may have each year transferred to it from the Medical Assistance Scheme an amount set by the Board from time to time, assessed as proportion of the Society's total administration expenditure to disclose in the annual financial accounts the formula or other basis used to calculate the charge. (Horan/Piesse)

Br P G Horan, Board said that the products and services subcommittee had discussed various options. It was aware that Society membership was only 3% of the Catholic population. It had reviewed the options and existing funds and noted that the good branches had local branch medical schemes. Br Horan said that having a medical assistance fund at branch level catered for local differences and was cheaper to administer locally than nationally. He said that division of the funds as at 31 July was achievable and that branches could bring in new rules per rule 35.

Br A J Horan, St Joseph's branch 172, Hastings said that the rule changes were very wordy and much of it was unnecessary, and he;

Moved amendment that the motion be amended by

Removing the new rules 34.2.2 paragraphs a, b and c.

Delete for in the first line of 34.2 a, and in its place put "or group of branches"

In the second line of 34.2 after branch insert "or group of branches".

(A J Horan/ J E Horan)

Sr S M Healy, Board, asked for assurance that in case of transfers of branch engagements, no members would be excluded from the apportionment. It was **agreed** that this would not happen.

The President said that the intention of the motion is clear, and asked the meeting to agree to a rider to tidy the wording changes if need be to clarify the intention of the meeting in case of ambiguity. **This was agreed.**

The President put the amendment to the motion which was **Carried**

Consequential renumbering of sections and paragraphs as required.

The amended motion was then put to the meeting and was **Carried**

Moved on behalf of St Patrick's Branch 115, Blenheim

The following rule and subsequent amendments to be adopted by the Society for a period of three years from the date of registration.

New Rule 5A Limited Members

- 5A.1 Any branch which, due to particular special circumstances specific to it ,considers that it necessary or very desirable to admit members who are not Catholics, may seek permission of the Board to enroll such persons as Limited Members. Application shall include proposed benefits for Limited Members.
- 5A.2 The Board may deny or defer such request, or accede to it with or without conditions.
- 5A.3 No branch may admit Limited Members without the prior written consent of the Board per this rule.
- 5A.4 No Limited Member is eligible for Society benefits except on terms that the Board from time to time decides.

Rule 5.1 Terms of Membership

- (i) That Rule 5.1.1 be amended by adding
"Other non-Catholics may be admitted as Limited Members, as provided in these rules."

Rule 5.2 Admission of Members

- (ii) That Rule 5.2.2 be amended by adding
"unless he or she is proposed as Limited Member" [I.e. not a practical Catholic]

Rule 5.3 Classification of Members

- (iii) In rule 5.3 after "Ordinary Member" insert "Limited Member."
- (iv) In rule 5.3 a) after "Ordinary Member" insert "Limited Member"

Rule 5.5 Payment of Contributions

- (v) Add to rule 5.5.3 “Except that Limited Members shall pay contributions direct to their branch.”

Rule 5.7 Transfers

- (vi) In rule 5.7 after “member” insert the words “except a Limited Member.”

Rule 5.10 Member’s Rights on Closure and Suspension

- (vii) That Rule 5.10.6 be amended by adding
“This rule does not apply to Limited Members.”

Rule 7.5 Conduct of Branch Meetings

- (viii) In rule 7.5.4 [voting at branch meetings] after “members” insert the words “except Limited Members.”

Rule 7.6 [Branch] Voting

- (ix) That Rule 7.6 be amended by adding
“Limited Members shall not vote.”

Rule 7.7 [Branch] Adjournment

- (x) Before “members” insert “voting.”

Rule 12.3 Amalgamation and De-Registration of Branches

- (xi) In rule 12.3.1, [General Manager] after “Society” insert “who may also give instructions about Limited Members.” (Eaton/Piesse)

Br Eaton and Sr Piesse, said that two societies in Blenheim were closing, and that they were trying to form a new friendly society there to stay in the local UFS Pharmacy. This rule to be in affect a “holding paddock” for the members of these dissolving Societies before they were transferred to the new friendly society to be formed.

Br A J Horan asked that if the purpose was continued UFS access for these members he suggested that they put it to the UFS to change their rules.

Br J P Meyer, St Patrick’s 400, Palmerston North suggested that the motion be deferred until after the item in general business dealing with the definition of a Catholic.

The President put the matter to the meeting which agreed to **defer** further discussion.

12) ELECTION OF OFFICERS

(i) Board of Management

The President said that there were six nominations for the six vacancies created on the board of management.

The eligible candidates were Br Tom Cotter (Auckland), Br Kevin Frost (Palmerston North), Sr Susan Healy (Auckland), Br Philip Horan (Hastings), Br Peter Sumby (Wellington), Br Patrick McGill (Wellington).

As the number of candidates equaled the number of vacancies the President declared them all to be **elected**.

(ii) **Trustees**

The President said that as there were only three Board Members resident in the Wellington Region, he there-by declared Br Delaney, McGill and Sumby **elected** trustees of the Society.

(iii) **President**

President said that Board was pleased to nominate Br Philip Horan as President of the Society, and asked if there were any further nominations.

As there were no other nominations the President declared Br Horan to be **elected** President of the Society.

(iv) **Vice President**

The President Br Stewart nominated Br Kevin Frost as Vice President, and asked if there were any further nominations.

There were no other nominations so the President declared Br Frost the **elected** Vice President of the Society.

13) MANAGEMENT CHARGE REVIEW

On behalf of the Board it was

Moved that the management charge remained at \$7.50.

(Stewart/Sumby)

Br P J Sumby, Board said that while the Board would like to decrease the management charge, it needed to make changes to the administration of the Society and it was therefore prudent to keep the charge at \$7.50.

Br G S Eaton, St Patrick's 115, Blenheim said that expenses were likely to decrease so asked why the management charge would stay at \$7.50.

President replied that there were some lags before expenses decreased in line with the decrease in income.

Br L T Neal, St Peter Chanel 828, Auckland agreed with the President and said that \$7.50 never fully paid for the expenses of the Society.

President then put the motion to the meeting and it was

Carried
(Branch 115 dissenting)

14 GENERAL BUSINESS

(i) **Hasting Hibernian Catholic Education Trust**

The trustees were due to meet soon. They had received \$2,000 from branch 172 Hastings and same amount from the National Office. Also Br A J Horan and others had made donations. Trustees would consider how to boost the capital of the trust. They thanked donors for the donations already received.

(ii) Pat Curran Memorial Hibernian Centennial Trust

Br K G Hurring, St Joseph's 73, Dunedin said the capital of the trust was unknown and hoped the national office would assist. The plan would be to send the capital when recovered to the seminary.

(iii) Membership of the Society/ Definition of Catholic

Br G K Frost, St Patrick's 400, Palmerston North spoke to his paper. He said it was self-explanatory and was relevant to the Blenheim motion for the discussion of limited members. He said that organization in order to survive must evolve. He said that Pope Francis was a breath of fresh air in the church. Members should be Catholics or Christians in the line of the apostles. He would be horrified if the admission of other Christians would water down the Catholic heritage of the Society. It was not like they would swamp Hibernian ranks; that other Christians - the wide definition of Catholic – a universal definition. He said there should be less haste and more caution. He said the Board should appoint a subcommittee to devise an acceptable format.

Br P M Joseph, St Joseph's 962, Wellington said that it would be a big step to admit other Christians. He said the Board should assess the matter and report. It was too big an issue for them to decide.

Sr C A Horan, St Joseph's 172, Hastings asked Branch 115, Blenheim if they would move, with their new members, into the new friendly society.

Br G S Eaton, St Patrick's 115, Blenheim replied that the new friendly society was not yet formed. The two lodges had not yet closed.

Br D H Gardner, St Patrick's 400, Palmerston North asked if the Society should become "Hibernian Catholic and Associates Benefit Society?"

Br B R Urwin, St Joseph's 172, Hastings asked if it was necessary to make the rule change as proposed by branch 115 now? He said that the other two lodges were not due to dissolve until October.

Br J P Meyer, St Patrick's 400, Palmerston North said that God moves in mysterious ways and that if a person makes the sign of the cross that would make them Catholic.

Sr S M Healy, St Peter Chanel 828, Auckland suggested that the words be added "and those who support the Catholic character of the Society." She said that the Branch 115 Blenheim request was for a temporary rule to support their particular circumstances.

Br K G Hurring, St Joseph's 73, Dunedin said that 10 to 15 years ago the Port Chalmers Dispensary went into liquidation, and that a rule was needed for "social members"

Br Eaton said that there were young families who were prospective members in Blenheim. It was not good if they could not be accepted due to not being Catholics.

Br G R Stewart, President asked if he was correct in thinking that if the Branch 115 rule was not passed then the UFS in Blenheim would be dissolved, and so that next year would be too late?

Br Eaton replied that the delegates were here to decide not to defer. The rule was to save the shareholders of another Society. He said a rule change for social members was not relevant.

Br A J Horan said that the meeting had to deal with a specific situation. The Blenheim branch could grandparent the other Society.

Br J R Lawson, St Patrick's 115, Blenheim said that a problem had started, that the whole thing would fold up in Blenheim including Branch 115. They could not battle on year on year. He said that their forbears had established Branch 115 for the future and that it would be letting them down if the Society in Blenheim did not carry on.

Br L T Neal, St Peter Chanel 828, Auckland said that he supported Br Lawson against Br Horan. He said Branch 828 had supported local members and non-Catholic members. Other branches could also access new members.

Br G R Stewart, President said that the proposed rule change was very limited; it was limited and local and needed a board approval in each case.

Br P Delaney, Board, said the proposed rule would be handy to have to take care of particular situations.

The President thought that the consensus of the meeting was per Br Delaney's remarks. Br Eaton said that he believed other lodges were also in trouble.

Br A J Horan said that he supported Branch 115's proposed rule change; but also that the Society should fully consider opening up full membership.

Br D H Gardner, St Patrick's 400, Palmerston North asked for the names of the lodges proposed to be taken into branch 115? He opposed any masonic lodges coming in. A Branch 115 delegate answered that one was a Manchester Unity and the other IOOF.

Br I B Bailey, St Patrick's 400, Palmerston North with the support of Br Neal proposed that the matter be tabled until after lunch.

Br G K Frost, Board asked if he could amend the motion so that it was grandfathered to the 30 June 2015 and was made specific to Branch 115.

The President replied he would not accept such an amendment because it was complete change to the motion; but would accept an amendment if it contained only a sunset clause.

(The meeting broke for lunch at 1pm and resumed at 2.05pm)

Moved amendment

That the following words be inserted at the beginning of the proposed rule change "the following rule and subsequent amendments shall be adopted by the Society for a period of three years from the date of registration."

(A J Horan/ G S Eaton)

The President then put the motion, as amended. To the meeting and it was **Carried**

The President said that the definition of the Catholic was important for the future of the Society. He asked for further discussion and it was

Agreed that the Board would look further into the matter and report back to the next annual meeting.

Br P M Joseph, St Joseph's 962, Wellington was concerned that the word Catholic should not be dropped from the Society name.

Br P G Horan, Board said that amending the definition of a Catholic would not solve the Society's problems.

(iv) Timing and Location of Annual Meeting

Br K G Hurring, St Joseph's 73, Dunedin said that the annual meeting was during school holidays and accordingly airfares were high. He said the meeting should not be held during school holidays. Several other delegates agreed with this. Br Hurring said it cost \$1,000 for each Branch 73 V delegate to attend and that the national office should also look at the location of annual meetings.

(v) Equalisation of Branch Travel Costs Annual Meeting

Br K G Hurring, St Joseph's 73, Dunedin said that other organisations ran equalisation schemes to even out the costs of travelling to their annual meetings.

Agreed that the Board should look at this.

(vi) **Transitional Fund**

Br P J O'Neill, St Patrick's 420, Ashburton asked about the rules for the money in the Transitional Fund. He said the Board should assist branches. Br O'Neill read out to the meeting the Branch 420 letter to the subcommittee considering the future of the Society.

The President reminded him that Transitional Fund Money could be withdrawn at any time. Br O'Neill said it should be distributed to members.

Sr S M Healy, Board said that the loyalty of Ashburton was recognized and thanked them for taking time to write.

(vii) **Child Benefit Offer**

Br A J Horan, St Joseph's 172, Hastings said that he had been thinking about the future of the Society. He was a bit disillusioned, but applauded the Board for sorting out the Medical Assistance Fund. He said that he would fund a 5 year welcome package for members new babies. He said that young families would not want a funeral or sickness benefit. He acknowledged the letter from Ashburton.

Br G R Stewart, President thanked Br Horan for his generosity and said that the Board would adopt his generous offer.

(viii) **National Office Costs**

Br G S Eaton, St Patrick's 115, Blenheim said that the management charges high and asked what they were for?

Br L T Neal, St Peter Chanel 828, Auckland said that the benefits of the Society were tax free which is a big advantage.

Br J P Meyer, St Patrick's 400, Palmerston North said that if there was no national office then there would be no Hibernian Society. He said the Government did not like friendly societies and the branches would be picked off.

Br G K Frost, Board said that Munro Benge did the accounts for the branches also which otherwise would be a cost to those branches.

Sr E A Lawn said that she paid the dues of several members all in one payment, but it had been allocated wrongly over several quarters.

16. ACKNOWLEDGEMENTS

(i) **Presentation**

Br P G Horan presented Br Stewart with a medal upon his retirement from the Board. He said Br Stewart had a pivotal role on the Board, steering the Society to the best state you could hope for. He expressed the Boards thanks and gratitude for Br Stewarts efforts over the last three years.

Br G R Stewart, Board said that it had been a lot of fun, even if it did not look like it at times.

(ii) **Arrangements and Closures**

Secretary advised the delegates and members of the arrangements for the mass and dinner that evening.

Next AGM

No branch had proposed the meeting be held at their town so the next annual meeting would be in Wellington (but outside the school holidays).

President closed the meeting with a prayer at 2.47pm

Confirmed: Chair **Date**

BOARD OF MANAGEMENT FOR THE PERIOD 2014/15

PRESIDENT

Br P G Horan
Administrator
6 Tarbet Place
Flaxmere, Hastings 4120

VICE PRESIDENT

Br G K Frost
Retired
55 Dittmer Drive
Palmerston North 4412

OTHER ELECTED MEMBERS OF THE BOARD

Br WJB Brittenden
Retired
Apt. 623, 43 Herd Road
Auckland 1344

Br T W Cotter
Retired
28 O'Donn Avenue
Beachhaven, Auckland 0626

Br P Delaney
Retired
543 State Highway 1, RD1
Waikane 5391

Sr S M Healy
Retired
92 Pleasant Road
Titirangi, Auckland 0604

Br P E McGill
Retired
46 Oriel Avenue
Tawa, Wellington 5028

Br P J Sumby
Retired
6 Camellia Grove
Waikanae, 5036

TRUSTEES

Br P Delaney, Br P E McGill, Br P J Sumby

SECRETARY

Jocelyn Delaney
Retired
98a Hillcrest Road
Raumati Beach, Kapiti 5032

Actuary:	Melville Jessup Weaver Limited
Auditor:	Crowe Horwath
Banker:	Bank of New Zealand
Solicitor:	Sweet Legal

2015 Annual Report of the Board of Management to Members

Kia Ora Brothers and Sisters

In September 2014 the Board issued it's 2014/15 Annual Plan outlining how we intended to meet the Board's responsibilities as outlined in Rule 4.1 of the Society's rules.

As stated at the time, after the closure of the Society's District Office in 2010, the Board has been required to undertake more of the workload themselves. To effectively manage these challenges the Board operates through a number of Sub committees. It is the responsibility of the sub committees to undertake the delegated work and regularly report back to the Board on progress. The following sets out how well the Board meet the objectives that were set for the 2014/15 year.

Communication

The maintenance of effective and relevant communication both with our Branches and members was a high priority for 2014/5. In order to achieve all our goals we needed the input and support of our Branches and their members. However, in a time of falling income we must recognise the need to restrict expenditure wherever possible.

To achieve this the committee electronically forward Newsletters to all Branches following each Board Meeting and Branches were encouraged to email them out to their members. Additionally a newsletter was sent to all members with the October and March Dues Notices.

I would like to thank and congratulate the members of the Communication Committee (S Healey (Convenor), B Brittenden, and P Sumby) for their work in this area.

Funds and Marketing.

The Board's Funds and Marketing committee was charged with the development of new national fund options along with assisting Branches to implement new local funds.

The main focus for the committee was the development of Branch Medical Schemes and the payment to Branches of their share from the old National Medical Fund. To date 4 Branches have been distributed their share of funds following approval of local schemes.

While the Committee had looked at some other options, they did not find an economically viable new product for the Society to consider at this stage. However, the Board did receive a suggestion from Bro Phil O'Brien for the Society to become members of Clubs New Zealand and I am pleased to advise that this has been approved and will be put into place in 2015/16.

I thank the members of the 2014/15 Funds and Marketing Committee (P McGill (Convenor), T Cotter, K Frost) for their contribution this year.

Members will be aware that at last year's Annual Meeting Bro Tony Horan made the offer of providing members who have new babies with a suitable gift from the Society. I am pleased to advise that during the year Bro Horan distributed 6 gift baskets to members. I take this opportunity to thank him and Sister Jan Horan for this generous benefit for our members.

Structure and Management

The main focus for the Structure and Management committee was redesigning our administration and accounting contracts following Munro Benge's decision not to provide administrative services in the future.

The committee undertook a closed tender of four Accounting companies (including one from out of Wellington) who were invited to tender for either Financial or Administrative functions (or both). As you are aware, after all tenders were received, the committee recommended and the Board agreed on awarding the financial contract to Munro Benge.

Unfortunately the committee felt that the tenders for Administrative work were uneconomic for the Society as we moved forward with limited income. As a result the Board approved the engagement of Jocelyn Delaney to perform these duties on a contract basis.

I would like to thank Brothers Gordon Stewart and Peter Sumby for their assistance in completing this task.

Trustees

The Trustees, in addition to their requirements outlined in Rule 10 of the Society's Rules, have undertaken the liaison role with Munro Benge on behalf of the Board. I thank our Trustees (P Sumby, P Delaney, and P McGill) for the way they have undertaken their duties this year.

Meetings

By the time of the Annual Meeting your Board will have met a total of 5 times with all Board members present at each meeting. Two meetings will have been by teleconference, with three meetings being in person. In addition to this Board subcommittees have met either by teleconference, Skype or by email.

I thank the Board for the efforts made to minimise costs to the Society, while ensuring the required work was completed. I also advise that all Board members decided to forego any allowance this year as part of minimising costs for members.

Definition of Catholic Working Group

As a result of the discussion at last year's Annual Meeting, the Board established a special committee comprising Brothers Gordon Stewart, Leo Neal, Kevin Frost (Convenor) and Sister Susan Healey to further consider the paper submitted by Palmerston North Branch.

The committee undertook a wide range of research and looked at a number of options before recommending the Society make changes to our membership criteria and these are contained in the first of the remits we will consider at this year's annual meeting.

The Future of our National Body

During the year it became apparent that the Society at a National Level was in a challenging position. With most of our investment income coming from members' interests in the transition fund which are on call, the society needs to either establish new funds to assist in generating income or take all steps necessary to wind up the Society as a National Body.

As a means of focusing discussion the board has proposed Notice of Motion number 2 along with the accompanying discussion document. We ask that as Branches you consider the implications of this decision carefully and come prepared to consider and suggest all options.

In this regard I thank my fellow Board members for the careful and considered way in which the subject was approached at our last meeting.

Financial Accounts

As I write this report, our 2014/5 Financial Statements are still with the Auditors but based on the draft accounts submitted to the Board they reflect the changing times we currently operate in. While Routine Management expenses were reduced, the draft accounts still show an overall loss for the year.

As these are only draft figures, I will leave further comment to the Annual Meeting.

Branch Closures/Amalgamations

During the year the Board approved the amalgamation or closure of five Branches. In some cases, lack of members was not the problem, it was a lack of active members who had the time and energy to run the Branch and look to its future. This is a reminder that even strong branches need to foster younger members and move them into management roles to ensure the future of the Branch.

Deceased Members

Please keep in your prayers those members of our Society who have passed away this year (RIP) and their loved ones.

In particular I wish to mention Brother John Meyer who recently lost his battle with Cancer. John was an active member of the Palmerston North Branch and also through the Palmerston North UFS a member of the New Zealand Council of Friendly Societies. John was a valued contributor to Annual Meetings on a regular occasion including the 2014 Annual Meeting. Our thoughts are with Elizabeth and their family.

I would like to thank Phil O'Brien and the team at Munro Bengel along with Jocelyn Delaney for their work on the Society's behalf during the last year.

Finally a very big thank you to our two retiring Board Members Peter Sumby and Susan Healy for their tireless efforts and counsel not just in the last twelve months but throughout the time they have been on the Board. You will be missed.

Philip Horan
President.

DECEASED MEMBERS AND SPOUSES FOR THE YEAR ENDED 31 MARCH 2015
THE HIBERNIAN CATHOLIC BENEFIT SOCIETY
2015 ANNUAL MEETING

St Mary's Branch No 3, Wellington

O'HAGAN Sr Betty Margaret

St Patrick's Branch No 17, Greymouth

OREGAN Br Desmond James

POWER Br Leo

St Joseph's Branch No 73, Dunedin

ANGUS Br Robert Neal

HART Br Brian Albert

LYNCH Br Joseph Thomas

McPHEE Br Brian James

O'CONNOR Br Michael James

PETIT Br Francis Patrick

St Patrick's Branch No 82, Christchurch

O'NEILL Joseph John

SMALL Br Patrick Thomas

St John's Branch No 93, Napier

0

St Patrick's Branch No 115, Blenheim

CARMODY Br Paul

St Joseph's Branch No 117, New Plymouth

KURIGER Br John Arthur

CROWE Sr Jean Rachel

CROWE Br Patrick Joseph

St Joseph's Branch No 172, Hastings

MORAN Sr Mary

SCOTT Sr Ann Margaret

St Mary's Branch No 193, Timaru

FITZGERALD Br John Anthony Stewart

LAURENSEN Sr Betty

St Aloysius's Branch No 399, Wellington

CRAIG Br Henry

GRAY Francis Michael

St Patrick's Branch No 400, Palmerston North

HORGAN Sr Josephine Louise
KOENDERS Br Peters Francisens
OKANE Sr Patricia Mary
REYNOLDS Sr Catherine Mary
TITHER Br William John

St Patrick's Branch No 420, Ashburton

O'NEILL Br Brian David

Sacred Heart Branch No 533, Petone

BEYNON Sr Helen Joan Grace
MERWOOD Br Leo
SCHULTS Br Leonard Raymond

St Mary's Branch No 620, Nelson

0

St Mary's Branch No 635, Waikato

O'CONNOR Br Francis Patrick

Immaculate Conception Branch No 728,

Stratford

0

St Peter Chanel Branch No 828, Auckland

AMBRIDGE Br Leslie Grant
HALL Br Stephen James
JORGENSEN Sr Eileen
McLEOD Br Norman
NEE Br Mark Patrick

St John's Branch No 854,

Onslow/Johnsonville

EDWARDS Br Barry Joseph
GLYNN Br Garrett Kenneth
PENDERS Br Hendrikis Sophia

St Joseph's Branch no 962, Wellington

FINN, Br Michael John



The Hibernian Catholic Benefit Society

Statement of Income and Expenditure for the year ended 31 March 2015

		31/03/15	31/03/14
	Page	\$	\$
Income			
Income on Investments	6	111,597	313,741
Income on Loans	6	-	22,648
Realised Gain/(Loss) on Investments	6	-	(70,004)
Unrealised Gain/(Loss) on Investments	6	-	(32,482)
Members Contributions to Benefit Funds	3-4	1,543	1,499
Transitional Fund Dues Arrears	5	-	128,494
Branch Management Charge	7	46,718	64,313
Commissions Received	7	10,531	9,060
Timeshare Holiday Accommodation	7	16,620	12,330
Other Income	7	1,745	56
Former Auditor Settlement		-	272,471
Hibernian Credit Union Distribution		11,463	-
Transfer of Tertiary Bursary Fund to Equity		-	17,770
		200,216	739,896
Expenditure			
Administration Routine Expenses	7	96,328	160,887
Administration Non-Routine Expenses	7	7,279	202,133
Member Benefits	3-4	16,347	8,672
Timeshare Maintenance Fees Paid		15,337	10,616
Increase in Transitional Fund Liability		75,611	336,281
		210,903	718,589
Net Surplus / (Deficit)		(10,687)	21,307

The notes on pages 8-10 form part of and are to be read in conjunction with these financial statements.

Approved by the Board: 25 June 2015

President

Trustee

Accountant



The Hibernian Catholic Benefit Society

Balance Sheet as at 31 March 2015

		31/03/15	31/03/14
	Note	\$	\$
Assets			
Bank Accounts and Deposits		496,730	766,464
Deposits with Bishops		155,631	184,426
Branch Receivables		-	2,356
Fixed Interest Securities	3	908,000	1,658,000
Timeshares and Sundry	4	30,000	30,531
Total Assets		1,590,361	2,641,777
Liabilities			
Member Contributions to Branches		7,670	15,227
Trade Payables		10,101	26,248
Transitional Fund	Pg5	1,417,804	2,430,335
Total Liabilities		1,435,576	2,471,811
Net Assets		154,785	169,966
Represented by:			
Members Equity			
Retraining Fund	Pg3	12,169	12,034
Benevolent Fund	Pg3	56,209	54,312
Medical Assistance Fund	Pg4	45,285	58,276
Tertiary Bursary Fund	Pg3	14,808	18,313
Holiday Accommodation Fund	Pg4	26,314	27,032
		154,786	169,966

The notes on pages 8-10 form part of and are to be read in conjunction with these financial statements.



The Hibernian Catholic Benefit Society

Changes in Equity for the year ended 31 March 2015

	31/03/15	31/03/14
	\$	\$
Opening Balance	169,966	148,660
Net Surplus / (Deficit) Before Apportionment	(10,687)	21,307
Closing Balance	159,279	169,966

Changes in Equity for the individual funds are as follows:

Tertiary Bursary Fund

Opening Balance	18,313	-
Income		
Transfer from Income	-	17,770
Members Contributions	1,483	1,377
Transfer from Investment Revenue	876	1,660
	<u>2,358</u>	<u>20,808</u>
Expenditure		
Bursaries Paid	869	1,995
Cancellations & Refund	4,494	-
Management Charge	500	500
	<u>5,863</u>	<u>2,495</u>
Net Increase / (Decrease) for the year	(3,505)	18,313
Closing Balance	<u>14,808</u>	<u>18,313</u>

Retraining Fund

Opening Balance	12,034	11,394
Income		
Members Contributions	60	75
Transfer from Investment Revenue	576	1,064
	<u>636</u>	<u>1,139</u>
Expenditure		
Management Charge	500	500
	<u>500</u>	<u>500</u>
Net Increase / (Decrease) for the year	136	639
Closing Balance	<u>12,169</u>	<u>12,034</u>

Benevolent Fund

Opening Balance	54,312	56,193
Income		
Monies Received	-	46
Transfer from Investment Revenue	2,597	5,250
	<u>2,597</u>	<u>5,296</u>
Expenditure		
Grants Paid	200	6,677
Management Charge	500	500
	<u>700</u>	<u>7,177</u>
Net Increase / (Decrease) for the year	1,897	(1,881)
Closing Balance	<u>56,209</u>	<u>54,312</u>

The notes on pages 8-10 form part of and are to be read in conjunction with these financial statements.



The Hibernian Catholic Benefit Society

Changes in Equity for the year ended 31 March 2015

	31/03/15	31/03/14
	\$	\$
<u>Medical Assistance Fund</u>		
Opening Balance	58,276	53,755
Income		
Transfer from Investment Revenue	2,787	5,022
	<u>2,787</u>	<u>5,022</u>
Expenditure		
Allocations to Branches	15,278	-
Management Charge	500	500
	<u>15,778</u>	<u>500</u>
Net Increase / (Decrease) for the year	(12,991)	4,522
Closing Balance	<u>45,285</u>	<u>58,276</u>
<u>Holiday Accommodation Fund</u>		
Opening Balance	27,032	27,318
Income		
Rent Received from Members	14,520	11,230
Administration Charge from Members	2,100	1,100
	<u>16,620</u>	<u>12,330</u>
Expenditure		
Management Charge	2,000	2,000
Maintenance Fees	15,337	10,616
	<u>17,337</u>	<u>12,616</u>
Net Increase / (Decrease) for the year	(717)	(286)
Closing Balance	<u>26,314</u>	<u>27,032</u>

The notes on pages 8-10 form part of and are to be read in conjunction with these financial statements.



The Hibernian Catholic Benefit Society

Transitional Fund for the year ended 31 March 2015

	31/03/15	31/03/14
	\$	\$
Opening Balance	<u>2,430,335</u>	<u>9,507,066</u>
Income		
Dues Arrears	-	128,494
Share of Investment Revenue	<u>116,225</u>	<u>493,379</u>
	<u>116,225</u>	<u>621,873</u>
Expenditure		
Payments to Members	1,088,142	7,413,012
Actuary	-	20,125
Management Charge	<u>40,614</u>	<u>265,467</u>
	<u>1,128,756</u>	<u>7,698,604</u>
Net Increase / (Decrease) for the year	<u>(1,012,532)</u>	<u>(7,076,731)</u>
Closing Balance	<u>1,417,804</u>	<u>2,430,335</u>

Members' accounts in the Transitional Fund as at 31 March 2015 totalled \$1,249,053 (\$2,337,847; 31-03-14). The difference of \$93,140 (\$92,488; 31-03-14) from the closing balance of \$1,342,193 (\$2,430,335; 31-03-14) has arisen from a number of actuarial adjustments upon the termination of the Assurance Fund and Funeral Fund at 31 March 2013, less some allocation to member accounts.

At the Society's special meeting on 16 March 2013 it was agreed the Society would cease all insurance business. As a result the funeral benefit and insurance policy liability previously recorded was transferred to a Transitional Fund liability balance, payable to members.

The value of the terminated insurance policies was determined by actuarial valuation as at 31 March 2013 as \$9,507,066 made up of transfers from the Assurance and Funeral liabilities of \$7,749,000 and actuarial increase in Transitional Fund liability of \$1,758,066.

Each year a pro-rata share of investment income and associated management and administrative costs are allocated to the Transitional Fund balance payable to members.



The Hibernian Catholic Benefit Society

Investment Income and Allocation Account for the year ended 31 March 2015

	31/03/15	31/03/14
	\$	\$
Income on Investments		
Income on Loans	-	22,648
Former Auditor Settlement	-	272,471
Hibernian Credit Union Distribution	11,463	-
	11,463	295,119
<u>Income on Investments</u>		
Interest on Bank Deposits	16,673	85,465
Dividends on New Zealand Equities	-	9,336
Dividends on Australian Equities	-	22,389
Dividends on UK Equities	-	7,046
Dividends on Property Equities	-	16,399
Interest on Fixed Interest Securities	94,924	173,106
	111,597	313,741
<u>Realised Income on Investments</u>		
Realised Gain / (Loss) New Zealand Investments	-	(7,631)
Realised Gain / (Loss) Australian Investments	-	(85,805)
Realised Gain / (Loss) Listed Property	-	(5,671)
Realised Gain / (Loss) UK Equities	-	19,922
Realised Gain / (Loss) Fixed Interest Securities	-	9,180
	-	(70,004)
<u>Unrealised Income on Investments</u>		
Unrealised Gain / (Loss) Fixed Interest Securities	-	(32,482)
	-	(32,482)
Total Income	123,060	506,374
Expenditure on Investments		
	-	-
Net Investment Revenue for the year	123,060	506,374
Allocation to:		
Transitional Fund	116,225	493,379
Benevolent Fund	2,597	5,250
Medical Assistance Fund	2,787	5,022
Tertiary Bursary Fund	876	1,660
Retraining Fund	576	1,064
	123,060	506,375

The notes on pages 8-10 form part of and are to be read in conjunction with these financial statements.



The Hibernian Catholic Benefit Society

Management Account for the year ended 31 March 2015

	31/03/15	31/03/14
	\$	\$
<u>Income</u>		
Branch Management Charges	46,718	64,313
Commissions Received	10,531	9,060
Other Income	1,745	56
Total Income	58,994	73,428
<u>Administration Expenses</u>		
<u>Operating</u>		
Equipment and Software Support	682	3,029
Depreciation	531	1,129
Munro Bengie Admin Services Fee	58,971	102,708
Secretarial Services Fee	6,250	-
Fees and Subscriptions	674	681
Filing Fees	60	316
Insurance	500	500
Miscellaneous Administration	255	1,786
Hastings Catholic Educational Trust	2,000	-
Postage and Distribution	4,309	8,695
Printing and Stationery	1,125	1,112
Sponsorship	-	11,500
Telephones	591	378
<u>Professional</u>		
Audit	7,300	8,625
Legal	2,437	173
<u>Management</u>		
Board of Management	5,370	11,399
Annual Meeting	5,273	8,857
	96,328	160,887
<u>Non Routine Expenses</u>		
Actuary	-	20,125
Equipment and Software Support	-	3,522
Filing Fees - FMA	532	865
Postage and Distribution	-	3,500
Legal	482	69,506
Board of Management	-	402
Munro Bengie Administration	6,266	104,213
	7,279	202,133
Total Expenditure	103,608	363,020
Expenditure Net of Income	44,614	289,592
<u>Allocation to:</u>		
Transitional Fund	40,614	265,467
Transitional Fund Actuarial	-	20,125
Benevolent Fund	500	500
Medical Assistance Fund	500	500
Tertiary Bursary Fund	500	500
Retraining Fund	500	500
Holiday Accommodation Fund	2,000	2,000
	44,614	289,592

The notes on pages 8-10 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 2015

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 Friendly Societies and Credit Unions Act 1982, and the rules of the Society.

The primary objective of the Society is to provide mutual assistance to its members by way of benefit funds. The Society invests funds on the members' behalf. Interest and other income is received by the Society and allocated to the members' benefits funds.

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 and property. 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 presented are special purpose and are prepared in accordance with accounting policies deemed appropriate by the Board to enable a true and fair view to be presented.

b) Measurement Basis:

The measurement basis is historic cost. This is a change for bonds, see Note 1.3. The Society is not registered for G.S.T.

1.2 Particular Accounting Policies

a) Income and Expenses Recognition:

Income:

All income is recognised when received.

Dues:

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

b) Fixed Interest Securities:

Carried at cost as at 31 March 2015. Refer Note 1.3.

c) Timeshares:

Timeshares were not purchased as revenue-earning assets but as property facilities for the use of members during the year. They are recorded at the Boards valuation as at 31 March 2013. Expenditure incurred on these properties is recovered from users of the facilities by way of a rental charge.

d) 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.



The Hibernian Catholic Benefit Society

Notes to the Financial Statements for the year ended 31 March 2015

2 Members Equity

Members' equity is represented by the Society's various benefit funds constituted per their respective rules – retraining, tertiary bursary, benevolent, medical assistance and holiday accommodation – 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 all pay a share of management and administration costs as determined by the Society's Board of Management each year.

3 Investments

	31/03/15	31/03/14
	\$	\$
<u>Fixed Interest Securities:</u>		
Auckland City Council	-	200,000
Bank Bonds	458,000	458,000
Corporate Bonds	450,000	1,000,000
	<u>908,000</u>	<u>1,658,000</u>
Total Investments	<u>908,000</u>	<u>1,658,000</u>

4 Property, Plant and Equipment Depreciation Schedule

	31/03/15	31/03/14
	\$	\$
<u>104 The Terrace</u>		
Furniture at Cost	5,953	5,953
Furniture Accumulated Depreciation	(5,953)	(5,422)
	<u>-</u>	<u>531</u>
Computer at Cost	5,018	5,018
Computer Accumulated Depreciation	(5,018)	(5,018)
	<u>-</u>	<u>-</u>
Timeshares	30,000	30,000
	<u>30,000</u>	<u>30,531</u>

5 Operating Lease Commitments

The Society has no lease commitments.

6 Commitments for Capital Expenditure and Loan

As at 31 March 2015 there were no commitments for capital expenditure.

7 Contingent Liabilities and Assets

The Society had no contingent liabilities or assets as at 31 March 2015.



The Hibernian Catholic Benefit Society

Notes to the Financial Statements for the year ended 31 March 2015

8 Related Party Transactions

The Society had no employees at balance date. During the 2011 year its administration was outsourced to Munro Bengel Chartered Accountants Limited of Wellington. Amounts paid to that firm are shown in the Management Account. A director of that firm, Philip O'Brien, is a member of the Society and was Secretary until November 2014.

The Society deals with the Board of Management and contractor staff on the same terms and conditions applied to all members.

9 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.

10 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.



Crowe Horwath
New Zealand Audit Partnership
Member Crowe Horwath International
Level 6 Westfield Tower
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INDEPENDENT AUDITOR'S REPORT

To the Readers of the Financial Statements of The Hibernian Catholic Benefit Society

We have audited the accompanying financial statements of The Hibernian Catholic Benefit Society (the "Society") on pages 1 to 10, which comprise the Statement of Income and Expenditure and Changes in Equity for the year ended 31 March 2015 and Balance Sheet as at 31 March 2015. The financial statements presented are special purpose and are prepared in accordance with accounting policies deemed appropriate by the Board of Management to enable a true and fair view to be presented.

Board of Management's Responsibility for the Financial Statements

The Board of Management are responsible for the preparation of these financial statements in accordance with accounting policies deemed appropriate by the Board of Management to enable a true and fair view to be presented; and for such internal control as the Board of Management determine is necessary to enable 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 of the Society on pages 1 to 10 for the year ended 31 March 2015, are prepared, in all material respects, in accordance with the accounting policies deemed appropriate by the Board of Management to enable a true and fair view to be presented.



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Basis of Accounting and Restriction on Distribution of Use

The financial statements have been prepared on special purpose basis, being accounting policies deemed appropriate by the Board of Management to enable a true and fair view to be presented, and are not defined as general purpose financial statements prepared in accordance with generally accepted accounting principles. As a result, the financial statements may not be suitable for another purpose or users. Our report is intended solely for the Board of Management and the Branches of the Society and should not be distributed to or used by other parties.

Crowe Horwath

Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
26 June 2015

THE HIBERNIAN CATHOLIC BENEFIT SOCIETY
2015 ANNUAL MEETING
NEW MEMBERS REGISTER FOR YEAR ENDED 31 MARCH 2015

St Joseph's Branch No 172, Hastings

ANDREWS, Gaylene

SUTTON, Desmond Earle

TUCK, Patricia Mary

WILEY, Sharon

St Patrick's Branch No 400, Palmerston North

DAWSON, Denis John

MAHER, Ethne Helen

SAVIMAKI, Marilyn Nita

St John's Branch No 854 Onslow/J'ville

DELANEY, Isabella Margaret

St Joseph's Branch No 962, Wellington

CUPIC, Lovorka

MCLELLAN, Simon Jude

New members gained for the year: 10

Total membership 31 March 2015: 1,423

Total membership 31 March 2014: 1,784

Net movement in total membership
for the year: loss 371

2015 ANNUAL MEETING
VOTE ENTITLEMENT AS AT 31 MARCH 2015

<u>Branch No</u>	<u>Branch Name</u>	<u>Locality</u>	<u>No. Financial Members</u>	<u>Votes</u>
3	St Mary's	Wellington	18	1
17	St Patrick's	Greymouth	26	1
73	St Joseph's	Dunedin	76	2
82	St Patrick's	Christchurch	120	3
93	St John's	Napier	27	1
115	St Patrick's	Blenheim	139	3
172	St Joseph's	Hastings	223	5
399	St Aloysius	Wellington	51	2
400	St Patrick's	Palmerston North	199	4
533	Sacred Heart	Petone	15	1
620	St Mary's	Nelson	46	1
728	Immaculate Conception	Stratford	20	1
828	St Peter Chanel	Auckland	265	6
854	St John's	Onslow/Johnsonville	83	2
962	St Joseph's	Wellington	113	3
	National Office		2	-
		TOTAL MEMBERS	1,423	
Board of Management				1
		TOTAL VOTES		37

Notes: Entitlement for branches is one vote for every 50 financial members of part thereof (Rule 6.6.1).
Financial members are those members for whom the branch pays quarterly management charge.

Remits for 2015 Annual Meeting
Board of Management to move:

1. Current Rule 5 is deleted and replaced with the following:

5. MEMBERSHIP

5.1 Terms of Membership

5.1.1 The Society shall consist of members as per sub rule 5.2.2.

5.1.2 Members shall belong to a branch of the Society.

5.2 Admission of Members

5.2.1 Except as otherwise provided under this membership rule, any person wishing to join the Society shall be proposed and seconded by two existing members of a branch at a regular meeting of that branch.

5.2.2 Any candidate for membership, unless he or she is proposed as a Limited Member as provided for in this membership rule, must be:

- a) A Catholic;
- b) Otherwise prepared to acknowledge and uphold the Catholic character of the Society; or
- c) The non-Catholic spouse of a member or a deceased member.

5.2.3 The Catholic character of the Society is expressed in its reflection and prayer at meetings, and celebration of the Eucharist, along with the willingness of its members to uphold Gospel values and the social teachings of the Catholic Church.

5.2.4 The qualification of a candidate for admission shall be enquired into at a branch meeting subsequent to that at which the candidate is proposed. The question of admission shall be decided by ballot. If one-third of the members present object the candidate is rejected and cannot be again proposed for six months.

5.2.5 Any person making a false declaration to gain admittance to the Society shall be expelled therefrom and forfeit all claims on it and its funds.

5.3 Classification of Members

5.3.1 The Society shall consist of Ordinary Members, Life Members and Limited Members. Except in so far as otherwise provided in these Rules, a Life Member shall be deemed to be an Ordinary Member.

5.3.2 All members shall pay contributions as are from time to time levied by the Branch.

- a) On Admission a member shall be designated as an Ordinary Member or Limited Member of the Society and shall remain so unless his or her membership ceases in accordance with this membership rule. The number of Ordinary Members in each Branch

shall be used to assess both the Branch's liability for the Society's Management Fund Levy (rule 32.1) and the Branch's voting entitlement (rule 6.6.1)

b) Life Membership

- i. Life membership of the Society may be conferred on any member who has given extraordinary service to the Society. Such membership may be conferred by an annual or special meeting on the recommendation by the Board after nomination by a Branch or the Board.

That as a consequence of the conferring of life membership, the member shall be presented with a framed life membership certificate. The preparation and cost of such certificate will be borne by District Office.

5.4 Limited Members

The classification of Limited Member, as provided in this rule, shall expire on 29 July 2017.

- 5.4.1 Any branch which, due to particular special circumstances specific to it, considers that it is necessary or very desirable to admit members who do not meet the requirements of rule 5.2.2, may seek permission of the Board to enroll such persons as Limited Members. Application shall include proposed benefits for Limited Members.
- 5.4.2 The Board may deny or defer such request, or accede to it with or without conditions.
- 5.4.3 No branch may admit Limited Members without the prior written consent of the Board as per this rule.
- 5.4.4 No Limited Member is eligible for Society benefits except on terms that the Board from time to time decides.

5.5 Conditions of Membership

- 5.5.1 All members shall be subject to the rules of the Society.
- 5.5.2 Members shall pay promptly all contributions due and shall receive such benefits to which they are entitled.
- 5.5.3 Members failing to pay contributions due may forfeit privileges of membership.
- 5.5.4 Any member more than one quarter in arrears without good or sufficient reason, shall be liable to meet any additional costs incurred through non-payment of dues.

- 5.5.5 Members admitted to the Society shall be eligible for election to any office subject to the limitations of age and membership (as provided elsewhere in these rules) but at no time shall non-Catholic members form more than one-third of the officers of a branch or the Board.

5.6 Payment of Contributions

- 5.6.1 Contributions shall be paid within the quarter they fall due under such arrangement as the branch shall decide upon from time to time.
- 5.6.2 A penalty for late payment of contributions may be charged.
- 5.6.3 Contributions shall be paid to District Office except that Limited Members shall pay contributions direct to their branch.
- 5.6.4 Throughout these Rules, "contribution" and "contributions" shall include "premium" and "premiums" respectively payable in respect of benefit funds and "subscription" and "subscriptions" respectively payable in respect of Branch membership dues, as may be required in each particular case

5.7 Expulsion of Members

- 5.7.1 A branch may where it considers circumstances warrant expel a member from the Society after notifying that member of the grounds for his/her expulsion and shall give that member the opportunity of stating his/her case at a summoned meeting of the branch, against such action being taken. Provided that a member so expelled shall have a right of appeal as provided under Rule 22.
- 5.7.2 If any member is proved guilty of having made a false declaration or giving a false certificate, or any other false evidence of health or age, in order to enter the Society that member may be expelled.
- 5.7.3 In the event of a member suffering expulsion under any clauses of this Rule, and appealing therefrom as provided under Rule 22 such expulsion shall not take effect until the result of such appeal is known. Any benefit accruing to a member during the interim shall be postponed.
- 5.7.4 If any member is expelled the secretary of the branch shall send notice thereof to the General Manager.
- 5.7.5 An expelled member shall not be re-admitted to membership of the Society by another branch.

5.8 Transfers

Any member except a Limited Member who has paid his/her dues to the end of the current quarter may request his/her transfer from one branch to another, either through the branch secretary or direct to District Office.

5.9 Members Benefits May Cease

Any member owing his/her branch for dues a sum exceeding one quarter's contribution; or allowing goods, accounts, and levies to remain unpaid for a longer period than one quarter, may forfeit privileges of membership.

5.10 When Membership Ceases and Re-Admission

5.10.1 When any member allows arrears of dues to exceed the amount of two quarters contributions, membership of the Society shall cease, and he/she shall forfeit all claims to benefits; but may be re-admitted to the Society by paying up all arrears'

5.10.2 Any member at any time may resign from a branch by delivering to the branch secretary a written notice of his/her intention to do so, and by paying all sums due by him/her at the date of resignation.

5.11 Member's Rights on Closure and Suspension

5.11.1 When a branch is suspended, closed or is dissolved, any member thereof shall be entitled to a transfer by the Board, which shall be considered similar to and shall have every privilege of a branch transfer. Any such member or members shall become a charge on the funds of the Society.

5.11.2 In the event of a branch being suspended, closed or dissolved for not complying with these Rules, any member thereof not having caused or assisted such closure, dissolution or suspension, shall become a charge on the funds of the Society.

5.11.3 Any member claiming the benefit of the Society's funds under clauses 5.10.1 & 5.10.2 of this Rule must give notice to the Board within one month of the time of his/her becoming aware of the closure, dissolution or suspension of his/her branch and such application shall be laid before the Board at its next meeting. When proper inquiry has been made into the case, and if the Board is satisfied, his/her claim shall be recognised.

5.11.4 Any such member shall pay the same rate of contribution as was paid by him/her to the branch of which he/her was previously a member. Such contributions shall be forwarded direct to the General Manager, or, if the member so desires, through any branch.

5.11.5 A Central Body member may join any branch on transfer issued by the Board.

5.11.6 This rule does not apply to Limited Members

Explanation

The 2014 Annual meeting required the Board to set up a committee to review the definition of Catholic within our rules. This has followed a number of discussions which have failed to resolve the issue and a desire at the 2013 Annual Meeting workshops to open membership up to the wider community.

The working group have taken their lead from the inclusive approach of Pope Francis and have addressed both these issues in the new draft rule submitted for approval. The rule is based on:

1. By removing the last part of the existing 5.1.1 any on-going requirement for members to be Catholic etc; has been removed. It allows for a valid member who may have lost faith (or divorced his or her Catholic spouse), being a non-Catholic, would we want to expel them for that reason? It would seem to be a harsh option.

2. The partner provision to being the non-catholic spouse of a member or a deceased member. Spouse is a reasonably specific terms, generally meaning the partner in a marriage or civil union (which could of course include same-sex relationships). However for these purposes it could be broadly interpreted by a branch to include a long-term partner. In this way we are being invited to be inclusive

3. Clause 5.2.3 outlines a clear definition of the Society's view of what it is to be a Catholic and requires all members both Catholic and non-catholic to respect the ideals.

2. That the Board of the Hibernian Catholic Benefit Society take the necessary steps to wind up the National Body.

In doing so the Board is required to:

- a. Assist all Branches to adopt whatever structure they may wish to, whether it be as a Friendly Society, other incorporated Body or closure.**
 - b. Work with those Branches who may wish to be involved, to establish a Council of Branch representatives to meet on a regular basis.**
- 3. That the Board prepare and price a comprehensive Marketing and Promotion plan aimed at a 10% increase in membership, particularly in the 30-45 age group, for each of the next 5 years.**

Note – In the event of Motion 1 is passed, Motion 2 would be withdrawn.

Explanation

Decline of Friendly Societies in New Zealand

When the Society was founded, there was a major need for organisations to assist workers and their families during times of ill health and death. There was no provision for sick leave or workers compensation; ACC did not exist nor did unemployment or sickness benefits. Friendly Societies filled this void right up until the introduction of the welfare state in the 1930s.

The Hibernian Society was an important part of this for the Catholic Community because there was still much discrimination within New Zealand society at the time and many other lodges would not accept Catholics within their ranks.

Since the 1930's there has been a steady decline in the size and importance of Friendly Societies across New Zealand. In 1939¹ there were a total of 12 Major lodges with total membership of 109,059. Of this the Hibernians were the six largest with a membership of 4,713.

By 1963² there were 10 major lodges and while total lodge membership had fallen by 40% to 65,640; the Hibernians had only dropped 23% to 3,628 and were now the fifth largest. This steady decline continued through the latter half of the 20th Century and by 2009³ the number of lodges was down to six with a combined membership of 29,755 (45% of where it was in 1963). The Hibernians, with 2,680 members (74% of 1963), had bucked the trend to an extent and were now the second largest lodge in New Zealand.

This membership was to a major extent based on the Societies Assurance Benefit and, with the need to exit this area, we experienced a sharp decline in membership. While the sector has had a 20% decline in membership during the last 5 years, now 23,614⁴, the Hibernians dropped 33% to be 1,784. This decline in membership has continued for the Hibernians with a further 13% drop in membership in 2015.

Hibernians – Membership

As shown above the Hibernians have not been exempt from the decline in support during the last 75 years. While concentrating on a niche market has allowed us to focus our energy better, recent events have shown that this does not assist when major shifts occur.

The loss of Assurance and Funeral Benefits has impacted on our membership in a major way by removing a percentage of our younger members. This loss of younger members combined with the aging of our membership has put pressure on the society's ability to manage its affairs. A number of viable branches have already taken the hard decision to either amalgamate or close, and it is likely that this trend will continue.

¹ 1940 Report of the Registrar of Friendly Societies and Credit Unions

² 1964 New Zealand Year Book.

³ 2009 Report of the Registrar of Friendly Societies and Credit Unions – Hibernian Membership figures appear to have been incorrectly stated in the Registrars report.

⁴ 2014 Report of the Registrar of Friendly Societies and Credit Unions.

With 88% of the Society's current membership aged 50 or over, the number of members available to manage the affairs of a Branch, let alone the National Body, is limited. The impact of this aging membership is even more an issue, however, when we consider that 54% of members are actually over 70 years old. Based on the latest estimate of New Zealand Life expectancy (81.16 years)⁵ it is likely that we will lose this 54% of members during the next 10-15 years. Our current membership numbers also impact our ability to design or negotiate new benefits that will attract younger members. Even when new offers are arranged, we still do not have the base on a National level to promote the Society or these offers to our target market. Our shrinking branch structure and aging membership mean that reaching new members at a local level is becoming an issue in many locations. Even if we look to open up membership these factors would severally impact on any potential gains.

Financial Cost of running the Hibernians

One of the biggest issues facing every Annual Meeting of the Society has been the cost of administration.

In 2008 it cost \$321,194⁶ to manage the Society's affairs, this equated to \$115.91 for each of the 2771 members, and Branches contributed an average of \$16.36 per member. At the same time the Society received income of \$117,837 from its investments, which, after adding Branch contributions of \$45,328, still left a deficit of \$158,029 to be funded by the Society's funds. In 2008 this could be done, but it is not a viable option in 2015.

While 2010 saw the best solitary return on Investments at \$1,134,539, management costs of \$286,859 still equated to \$109.87 per member. Due to falling membership numbers, the Branch contribution of \$54,210 now equated to \$20.76 per member. So even though management costs had been reduced by 11%, Branch contributions per member increased by 25%.

⁵ http://www.stats.govt.nz/browse_for_stats/health/life_expectancy/NZLifeTables_HOTP10-12.aspx

⁶ All non routine costs have been removed to allow effective comparison.

MANAGEMENT CHARGE REVIEW

‘Management Charge Review’ is an automatic item on the order paper for the Society’s annual meeting, in terms of Rule 6.3.4. The charge is applied to branches each quarter to cover the cost of the Society’s administration and has previously been:

- \$0-66 cents prior to 1993
- \$2-00 effective 1 October 1993
- \$2-50 effective 1 October 1998
- \$3-50 effective 1 October 2002
- \$4-00 effective 1 October 2005
- \$5-00 effective 1 October 2008
- \$7.50 effective 1 October 2012

The Society’s rules provide for the transfer of amounts as set by the Board from time to time, assessed as a proportion of the Society’s total administration expenditure, to cover the cost of administration of the benefit funds and in the administration of the investment of the Society’s accumulated funds.

The National Office expenses for the year 2016 are expected to be only marginally less than 2015. The Board has not adopted any budget for Financial Year End 2016, and will propose that the existing management charge continue.

Board to Move that the Management charge remain at \$7.50.