



Education Benevolent Society Incorporated

2022 Annual and Performance Reports including Financial Statements

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The Education Benevolent Society Incorporated

Annual General Meeting – 28th October 2022

The 32nd Annual General Meeting of the Education Benevolent Society Incorporated (EBS) trading as HealthCarePlus will be held via Zoom on Friday 28th October 2022 at 2pm.

The business of the Annual General Meeting will be to:

- a. Confirm the minutes of the 2021 AGM and 2022 SGM.
- b. Receive, answer questions on, and adopt the Board Chair and Chief Executive's Report.
- c. Receive and approve the 2022 Performance Report including Financial Statements.
- d. Appoint EBS's Auditors for the 2022- 2023 financial year.
- e. Confirm the Board for the 2022 – 2023 financial year.
 - Samantha Stephen, TEU's Member Board Member's term expires as the 2022 AGM. The TEU needs to confirm their Member Board Member effective from the 2022 AGM, and
 - Daniel Mussett, Independent Board Member's term expires at the 2022 AGM. The Board recommends to the 2022 AGM that the re-appointment of Daniel Mussett as an Independent Board Member be agreed to.
- f. Conduct General Business

Full papers will be issued prior to commencement of the meeting.

OUR YEAR IN NUMBERS

01/07/2021 - 30/06/2022

HealthCare+
It's good to belong



27,698

(23,488*)

HealthCarePlus
MEMBERS

24,098

(23,114*)

Health insurance Members

3600

(374*)

Associate Members

1786

(490*)

GoodForYou Members

\$138,743

(\$179,195*)

Of Funding Support through our 'Grants for Good' Program

94%

(92%*)

Claim Satisfaction Score

90%

(90%*)

Communication Satisfaction Score

43

(43*)

Net Promotion Score

Any score over 30 is great



19,904

(19,757*)

Claims Submitted



413,224

(221,565*)

Emails Sent

(Newsletters, Direct Emails, Nurture, Onboarding & Reminder emails...)



949

(1842*)

Survey Responses

Among them, 344 agreed for us to use their quotes on our website

OUR YEAR IN NUMBERS

01/07/2021 - 30/06/2022

HealthCare+
It's good to belong



2,050
(1,994*)

Leads generated
for HCP Reps

211,024
(145,407*)

Website Visits

2842
(1,548*)

Primary Care Plans
Online Quotes

894
(603*)

Primary Care Members
through the online system

9 out of 10 Members said

"It's Good to Belong"

“
I enjoy being a part of HealthCarePlus and they are my first choice of health care insurance provider because they help me keep my medical costs down and are a supportive company to deal with. Claims are fulfilled as per entitlements, no questions asked. and their communication keeps me up to date with changes etc and have some interesting articles
”

TC, Member since 2014
from Whangaparaoa

“
I've really enjoyed the wrap around service this health care provides. It was because of the generous offer to cover three therapy sessions as part of the well being newsletter that I signed myself up for therapy. I have continued after the three sessions and have been really appreciative that my psych sessions are partially covered.
”

TR, Member since 2020
from Auckland

“
I have been a member for 34 years. I was especially pleased that I could remain a member post retirement for the same premium. This makes me feel valued for the service I gave to Tertiary education. I find the manual mode I use for claims, works well for me, prompt service, easy access for any queries. One hundred percent professional, friendly service.
”

CT, Member since 2001
from Napier

“
It's quick, easy and efficient - what a great team behind the scenes. Our family struggles with budgeting out of our pay packets, but with HealthCarePlus we don't hesitate in accessing health services when we need them as the claims process is so easy.
”

DB, Member since 2018
from Dunedin

(*) Prior Year

Education Benevolent Society Incorporated

Statement of Corporate Governance

The Society is registered, under the Incorporated Societies Act 1908 and its charitable status is regulated by Charities Services. Its Constitution is the foundation of the Society. The Society adheres to frameworks, processes and policies designed to ensure good governance.

The Board - Appointment and Tenure

The Society is governed by a Board of six Directors all appointed by the Member Union owners. The Board consists of four Member Board Members appointed to represent the four largest Member Unions and two Independent Board Members. Board Members are appointed for a maximum term of three years and at the end of that term, they are eligible for re-election. The role of the Board as stated in the Constitution (s.9.1.) is “The governance and management of the Society.”

Governance Framework

External

Registration with Charities Services has introduced the Society to new regulatory requirements and restrictions. The Society continues to be subject to a range of regulatory acts, government bodies and industry codes. These include the Incorporated Societies Act 1908, the Charities Act 2005, the Financial Reporting Act 2013, the Privacy Act 2020, and the Financial Markets (Conduct of Institutions) Amendment Act 2022 (CoFI).

This continuous regulatory change is taking its toll on the financial services industry and is especially onerous on smaller insurers and small financial advice providers where the cost of compliance is putting their business under considerable stress.

Internal

The Society operationalises its governance via the “Risk Management Framework, Processes and Policies.” The policies are reviewed on a scheduled basis to ensure that they are fit for purpose and, where required, amended, and updated via the appropriate governance processes.

On 31 December 2021 the Tripartite Agreement that was entered into between UniMed, Crombie Lockwood/Monument and EBS when EBS outsourced the insurance business, expired. Negotiations on the revised agreement are expected to be completed by November 2022. All parties are committed to continue the relationship, and the new agreement will incorporate recent regulatory changes and include a new Code of Conduct for all parties.

Board Meetings

The Board meets every two months subject to requirements. Due to COVID the dates for Board meeting and the Annual Board Planning have been subject to change, and the Board has used Zoom meetings when needed. The Board held its annual planning meeting in April 2022 to agree on the strategic priorities and identify significant opportunities and threats in the short to medium term.

The Board's focus during this year was on ensuring that:

- The Society's Vision and Values are ingrained in the Society's culture, and
- On the successful execution of the second round of charitable educational grants, and
- The continuation of the move to a digital first organisation, and
- The introduction of an increased range of products and services to meet the Members of the Union Owner's Physical, Mental and Financial Health and Wellbeing, and
- There is growth of new income streams.

Sub Committees of Board

The Board runs 2 Sub- Committees namely the Audit Risk and Investment Sub-Committee and the Remuneration Sub-Committee.

Audit Risk and Investment Sub-Committee (ARIC)

The objectives of ARIC are:

- To aid and advise to the Board on financial accounting and reporting including the internal and external audit, and
- To manage the Society's risk control and compliance framework, and
- To develop, monitor, and report on the investment policy.

Remuneration Sub-Committee (Rem Committee)

The objectives of the Rem Sub-Committee are to:

- Assist the Board in fulfil its responsibilities relating to employment conditions and remuneration issues; and
- To establish and overview the Society's employment and industrial relations policy and direction, and
- To ensure that the Society's policies related to salary or wage negotiations, are appropriate, and
- To ensure that the Society's organisational structure supports the provision of effective and efficient business outcomes, and
- Provide oversight on the activities of the Grants Committee on behalf of the Board.

Member Appointed Committee

Charitable Grants Committee (Grants Committee)

The Grants Committee:

- Is responsible for the selection of suitable candidates as grantees to receive the funds that the Board has approved for distribution as charitable education grants, and
- Consists of 7 members, one appointed by each of the 6 Union owners, and the Board Chair.
- Has played a significant part in the successful launch and execution of the first two rounds of the 'GrantsForGood' program.

Board Member names, duties, representing and attendance

Financial Year Ended 30th June 2022

Name of Board Member	Title/ Duties	Union	Board Meetings	AGM SGM	Board Planning Day	ARIC	Rem Committee	Grants Committee
Darrell Ward	Member Board Member Deputy Chair and Chair Rem Committee to October 2021. Board Chair appointed December 2021	NZEI	5	2	1	3	4	n/a
Samantha Stephen	Member Board Member Deputy Chair and Chair Rem Committee appointed December 2021	TEU	4	2	1	n/a	4	n/a
Allan Vester	Member Board Member	PPTA	5	2	1	2	4	n/a
Daniel Mussett	Independent Board Member - Chair ARIC	n/a	5	2	1	3	n/a	n/a
Kristen Thompson appointed October 2021	Independent Board Member	n/a	3	1	1	n/a	1	n/a
Benedict Ferguson appointed March 2022	Member Board Member	PSA	2	1	1	1	n/a	n/a
Linda Sissons Resigned October 2021	Independent Board Member Board Chair	n/a	2	1	n/a	1	0	1
Erin Polaczuk Resigned March 2022	Member Board Member	PSA	3	1	n/a	1	1	n/a

Board Member Profiles

Darrell Ward – Member Board Member, Board Chair (appointed December 2021) - Representing NZEI Te Riu Roa

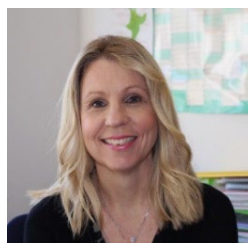


Darrell worked as a teacher and principal in various Southland schools from 1971 until 2002. He became an EBS subscriber as a trainee teacher in 1968. Darrell was an elected member of NZEI's National Executive

from 1990 until 2002. This included the role of National President and director of Education House Ltd. From 2002 until his retirement in 2012 he was employed by NZEI Te Riu Roa as Assistant Secretary at the National Office. In 2015 he was awarded Life Membership of NZEI Te Riu Roa.

Darrell has been a member of the Board since 2011. He brings to the board significant education union knowledge, leadership experience and a broad union network.

Samantha Stephen – Member Board Member, Deputy Chair (appointed December 2021), Chair of the Remuneration Sub-Committee - Representing TEU



Samantha Stephen is Assistant National Secretary Operations and oversees the support operations of the Tertiary Education Union Te Hautu Kahurangi o Aotearoa, managing a team essential to the smooth running of the organisation.

After graduating with a Bachelor of Social Sciences from the University of Waikato,

Samantha spent several years working in a community-based role for a non-profit organisation that offered preventative and rehabilitative support to offenders and their whanāu.

Samantha went on to work in events management where for nine years she was part of a team responsible for organising an annual event attended by over 45,000 New Zealanders.

Samantha is an accomplished people manager and brings to the board a detail-oriented, problem-solving approach.

Daniel Mussett – Independent Board Member Chair of Audit Risk and Investment Sub-Committee



Daniel joined the Board in October 2019 as an Independent Board member. He brings significant local and international investment expertise that will be invaluable for the Society as a Charitable organisation.

I guide investors on their journey to meeting their objectives with specific reference to meeting obligations and managing risks. This involves ensuring that good governance structures and fit-for-purpose policies are in place.

I have served a very diverse range of investors in the private, public, and philanthropic sectors, including not-for-profit entities, Crown Financial Institutions, superannuation schemes and KiwiSaver providers. Partnering with you to achieve financial success is my passion

Benedict Ferguson – Member Board Member, and member of Audit, Risk and Investment Sub-Committee - Representing New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi



Benedict has been a member of PSA since he commenced work in Local Government 20

years ago. Benedict has held many elected roles with the PSA, including being elected to the PSA Executive Board in 2008 – 2012. In 2010 Benedict set up the very popular and successful PSA Youth network. In 2016 Benedict was again elected to the Executive Board and in 2020 was elected as President of the PSA a role he currently holds.

Benedict has been a member of HealthCarePlus since 2019 and joined the Board in March 2022.

**Allan Vester – Member Board Member and member of the Remuneration Sub-Committee
– Representing PPTA**



Allan Vester recently retired as being Principal of Edgewater Colleague a role that he held for 23 years.

Allan continues to be a strong supporter of the PPTA and has been a member of EBS now

HealthCarePlus since 2000. Allan believes that HealthCarePlus provides the members of PPTA with a very valuable service.

By being on the Board, Allan sees the opportunity to contribute to ensuring that the work that HealthCarePlus does, and the benefit that work confers on members is maximised. The Board does this by ensuring effective corporate governance and by ensuring we operate in a professional yet cost effective way.

Kristen Thompson –Independent Board Member, and member of Remuneration Committee



Kristen Thompson is a lawyer with a background in employment, health and safety, and personal injury law, predominantly acting for unions and injured workers.

She has previously worked as a litigator and advisor to a number of not-for-profit incorporated societies and charities.

She has also worked as a health and safety policy analyst for the New Zealand Council of Trade Unions. She sits on a number of other boards, including Worksafe Mahi Haumaru Aotearoa, the New Zealand Institute of Safety Management, and the Inspired Kindergarten Association.

Kristen joined the Board in October 2021.

Linda Sissons – Board Chair - Independent Board Member, and Member of the Remuneration, Grants, and Audit Risk and Investment Sub-Committees (resigned October 2021)



Linda joined the Board as an Independent Board Member in July 2019. Linda brings to the Board significant Governance experience and a large network within the Education sector.

Linda has been involved in management and governance roles with a learning flavour, for most of her career. Linda is the Chief Executive of UCOL, and previously was Chief Executive of the Primary ITO and the Wellington Institute of Technology.

Her Governance roles include currently being a Board member of Education New Zealand, and recent roles include being Chair of the Board of Governors of the Commonwealth of Learning, one of only two pan-Commonwealth organisations, dedicated to furthering economic and social development through technology-enabled education.

Erin Polaczuk –Member Board Member, and member of Audit, Risk and Investment Sub-Committee - Representing New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (resigned March 2022)



Erin is General Secretary and joined the PSA's secretariat in 2014 after working at the Post Primary Teachers' Association as Deputy General Secretary. Erin has held roles in organising and advocacy, policy, education, governance, and management within the union movement. Erin

believes unions are the most effective vehicle for progressive change and social justice in society.

Erin is currently involved in progressing the PSA's strategic goals, including its campaign on pay and employment equity- 'Worth 100%' and her union has a particular focus on the health, community, and public sectors. The PSA now has over 80,000 members and 40% of recent recruits to the union are under the age of 35.

Erin is an experienced leader and brings to the Society a wealth of experience in using digital marketing and social media to attract new members.



HealthCarePlus – It's Good to Belong

HealthCarePlus - He Mea Pai kia Honotahi

HealthCarePlus's culture and conduct are aligned with Union values including, Integrity, Fairness, Transparency, Solidarity, Equity, and Protecting the Environment.

Ko te kaupapa me te wairua o HealthCarePlus e haere tapatahi ana me ngā uara o te uniana arā, te Ngākau Piripono, te Matatika, te Tuwhera, te Piritahi, te Taurite, me te Tiaki i te Taiao.

HealthCarePlus is committed to working with Member Unions to improve the Physical, Mental and Financial Health and Wellbeing of their Members and Whānau.

E ū ana a HealthCarePlus kia mahitahi ai me ōna Mema Uniana kia piki ake te Oranga Tinana, te Oranga Wairua/Hinengaro me te Oranga Ahumoni, ā, me te Oranga Katoa o ō rātou Mema me ō rātou Whānau.

Report from the Board Chair and Chief Executive

Governance

The Year

This report covers the financial year to 30 June 2022 and refers to events up to this annual meeting.

On behalf of the Board, welcome to the Union Representatives and other guests to this the 33rd AGM of the Education Benevolent Society Incorporated. This year has again been a busy one with the distribution of the second round of charitable education grants, and significant progress with the introduction of new products and services and some new revenue generating activities. COVID again had an impact on the organisation and reinforced that the transition of our business to a digital first model was the appropriate decision.

During this financial year COVID continued to have a significant impact on all New Zealanders. The Board would like to place on record the Society's appreciation to our Subscribers and the Members of the Education Unions and the PSA for their tireless work during the pandemic, as they were in professions where COVID took its greatest toll.

The Society is committed to continual improvement in its governance and reporting. As part of that commitment, the Board approved the introduction of BoardPro a cloud-based SaaS Board and Committee meeting management tool. This new resource has significantly improved the efficiency of meeting and ensures that action items are executed in a timely manner.

All organisations are vulnerable to cyber-attacks, and although the Society holds very limited membership data, it is important that a cyber audit is undertaken on a regular basis. This is the second Cyber Audit undertaken by EBS with the last one conducted in 2018. The audit was comprehensive, and I am pleased to advise that no significant vulnerabilities or issues were identified.

Key Activities - Year Ended 30 June 2022

The financial year again started with the Grants Committee deliberating over the second round of 'GrantsForGood' applications. The quality of the applicants was again of a high standard and provided the Grants Committee a real challenge to identify the final recipients. The Society was fortunate to retain all the inaugural Grants Committee Members, as that collective knowledge and experience made the process for determining the 2021-2022 round's Grantees more streamlined and efficient. The Board would like to acknowledge the work of all the Grants Committee Members and especially the Committee Chair Janet Quigley who led the Committee to again execute their task in an extremely professional manner. For this year's round the Committee approved fourteen grants totalling \$166,917. Due to COVID and changed circumstances, eleven grants were paid out totalling \$138,743 excluding GST were applicable.

The Society continues to develop digital tools and introduce automation to provide a better Subscriber experience, generate better quality leads, and grow revenue. Research indicated that in many cases Members only wanted to receive an indication as to the cost of hospital insurance, and not engage with a financial adviser. In response, HealthCarePlus has developed an on-line Hospital Select insurance quote engine where upon receipt of the quote, the applicant can either elect to

continue to execute the purchase on-line or book a meeting directly in their local HealthCarePlus Financial Adviser's diary. This technology has only recently gone live, and it is expected to increase hospital insurance sales and free up the HealthCarePlus Financial Advisers so they can focus on the provision of financial advice.

Under our 'GoodToKnow' program the Society has continued to run educational webinars on a range of topics with the aim of improving our Subscribers understanding of our insurance products and services, managing their money and finances, and physical and mental health and wellbeing.

UniMed, our health insurance partner, is undergoing significant change under its new Chief Executive. This change includes the introduction of new technology, innovation, and the appointment of new staff. These changes will make a significant and positive impact on our Subscribers. It is expected that the benefits to our Subscribers will become more evident in the 2023 calendar year. UniMed has continued to support all Members during COVID by extending the three free mental health consultation benefit to 31 December 2022. With the knowledge of the toll that COVID has had on our Subscribers and Members, HealthCarePlus has pro-actively promoted this benefit in our Union and Subscriber communications and our Subscribers have responded by actively taking up this offer.

It was a year of two halves for our investment fund (the Fund) that is managed by Mercer (N.Z.). For the first 6 months of the financial year, global financial markets continued to deliver positive investment returns with the Fund recording a modest positive net increase in value. In the second half of the year the fund, as with all funds, was significantly negatively impacted by the turmoil in global financial markets and the war in the Ukraine. The Society continues to be well placed to sit out these turbulent times and despite the current reduction in the Fund's value, the Board has committed an amount of \$150,000 for the 2022-2023 round of 'GrantsForGood.'

The strength of the Society's relationship with the Union Owners, and in turn the Union Owner's commitment to support HealthCarePlus via marketing activity is key to the long-term success of the Society. This year has seen a very significant milestone in our relationship with 3 of our Union Owners namely the, NZEI, PSA and TEU where for the first time there are agreed annual marketing plans to promote HealthCarePlus to all the Union Owners Members. These plans include regular marketing activity in their Member communications, plus a commitment to the distribution of 3 or 4 all Member HealthCarePlus dedicated communications where the Union promotes the value of HealthCarePlus's products and services. The significant growth in Subscriber numbers in the past year is a direct result of this activity.

The Society surveys a section of our Subscriber and every month and around 90% agree with our brand promise 'It's Good to Belong.' This feedback is a result of the great work that the HealthCarePlus team and our partners do to support the needs of our Subscribers. Our marketing team of Alan Sharpe and Dora Nguyen produce a quantity and quality of work that many teams with a lot more resources would battle to deliver. The Grants Committee would like to acknowledge the support that Helen Dobson provides to them to assist with the selection of the grantees.

The Board held its annual planning day in April. One of the key outcomes from this was the agreement to develop work plans for the ARIC and Rem Committees. Historically the Society has operated using a single year planning cycle. In a period with significant change as the Society transitioned from a Licenced Insurer to a new Membership Marketing business this was appropriate, however now that the Society has a clear direction it was decided to implement a 3-year planning cycle. This will enable the Board to set appropriate targets and milestones for the Society and

ensure that there are appropriate resources are funded to ensure that the Society achieves its potential.

The Financial Markets Authority (FMA) continues to increase its surveillance of insurers under the Financial Markets (Conduct of Institutions) Amendment Act 2022 (CoFI). The financial services industry is investing significant time and resources in preparation for this legislation and await receipt of the regulatory codes. The Society will be impacted by this legislation and the Society's insurance partners, will be required to train the Society's staff on the insurers "Fair Conduct Programme."

The Incorporated Society's Act and Charities Act are the foundation legislation upon which the Society's Constitution is based. During the past year both Acts have been reviewed by Parliament, with a new Incorporated Society's Act 2022 has been passed into law. The plans to "modernise" the Charities Act continues. The Society identified several potential issues in both Bills and made submissions to the Select Committees to highlight the potential issues, and to propose changes. It is pleasing to note that all the recommendations have been accepted and this has removed some potentially significant risks for the Society. There continue to be some outstanding issues related to the "modernising" of the Charities Act that the industry and regulators continue to debate. The Society sought legal advice and the lawyers have confirmed that these outstanding issues as currently tabled, have no material implications for the Society.

In April the Incorporated Society's Act 2022 was passed to replace the outdated 1908 Act. Under the new Act there is an eighteen-month transition period from 5 October 2023 during which the Society needs to re-apply to retain its Incorporated Society status. The Constitution will require some minor amendments to comply with the new legislation prior to applying to transition to the new legislation. The Board plans to bring these amendments to next year's AGM for ratification.

COVID has taken a significant toll on the Members of our Union Owners. A review of the recent ERO Report into the health outcomes from COVID on educators makes disturbing reading. In response thereto the Board approved 12 months funding for the Clearhead mental health support application for all HealthCarePlus members and their whanau, you will be hearing more about this support soon.

During this financial year COVID continued to have an impact on our activities, those of our Subscribers, and our Union Owners. COVID has also had an impact on some of our Grantees with some requesting extra time to complete their projects. It is pleasing to confirm that they have now all managed to complete their projects. The second round of grants was successfully launched, and most grantees are nearing completion of their projects and studies. It was very pleasing to see the number of individual hardship grants that the Society was able to support during a very challenging time.

Over the last 2 years since the implementation of HubSpot (our digital marketing system), the team has been building the system's capability and capacity. The Society is now seeing the benefit from this investment in an increase in both leads and sales. Over the year the team has worked very closely with Crombie Lockwood to refine the sales process. The Financial Advisers are now starting to use HubSpot to track all leads as they progress through the sales pipeline. This tracking improves the customer experience, will enable the advisers to manage an increased number of leads, and will ensure that all enquiries are dealt with in an efficient and timely manner.

Focus on Growth

The Society's preference is on growing new recurring revenue streams rather than large upfront payments as over time, this creates a sustainable recurring income to fund the ongoing cost to run the marketing activities and manage the charitable grants. The intention is that any revenue surplus will be applied to help grow the Fund. The focus therefore is on growing the amount of commission that is generated by both increasing sales and increasing the range of commission generating products and services that it promotes. Since the commencement of the relationship with Crombie Lockwood/Monument there has been a revenue sharing arrangement for hospital insurance, but not for life insurance products. Life insurance is a significant opportunity due to the level of commission that the sales generate, and the applicant's ability to obtain cover even if they have pre-existing conditions that would preclude them obtaining from hospital cover. Crombie Lockwood needs to be thanked as in return for the work that the Society has put into increasing the quality and quantity of leads, they agreed to share their commission on new life insurance sales. The opening of the borders has resulted in a renewed interest in our travel insurance plans underwritten by Covermore and more recently, the introduction of pet insurance via Petcover one of the world's leading pet insurers.

Our voice of the customer surveys regularly receives feedback from new Subscribers that HealthCarePlus is their Union's best kept secret. So, to increase the profile of HealthCarePlus and to illustrate the range of products and services that HealthCarePlus provides, HealthCarePlus commissioned a short, animated video on HealthCarePlus. This is now regularly used in promotions to our Union Owner's Members, provided to all new Subscribers, and distributed via our social media channels.

The Society now has 2 distinctive membership categories namely Full Membership and Associate Membership. In March the Associate Members program completed its first year and this initiative has proven to be very successful. We are now able to communicate to a growing number of Union Members that have elected to receive newsletters and regular information about HealthCarePlus's products and services. In addition, they have access to a range of special offers and discounts on a range of products and services including life, travel and pet insurance, access to Good To Know our educational resource centre, and attend our educational webinars.

To be a Full Member you need to have a UniMed underwritten Primary Care and or a Hospital Select Plan. Full Membership includes extra funded benefits including, the Health and Wellbeing Program, three UniMed funded Clearhead mental health consultations until 31 December 2022, and access to the soon to be launched Clearhead mental health app. As a next step the Society is looking to source new Member only discounts for health and wellbeing products and services where the Member will be able to use refunds from their primary care plan to make access more affordable.

Performance

Financial Position

The financial results for this year have been significantly impacted by the volatility in global investment markets. This has been an extremely unique period where both equity and bond markets have declined at the same time. The impact on the Fund has been a reduction of \$925,986 (-11%). Under the Society's Statement of Investment Policy Objectives (SIPO) the Society retains a significant portion of the reserves in cash and term deposits. This has meant that it has not been

necessary to capitalise any of these paper losses to fund the Society's marketing activities or the charitable grants program.

When the insurance portfolio was transferred to Unimed the transfer agreement included a surplus share arrangement once UniMed has recouped all cost associated with the transfer. Last year there was a small surplus but now that all transfer costs have been repaid, the maximum surplus share is now available. This has resulted in a payment of \$87,342 and this is expected to grow as the overall primary care portfolio grows.

This is the first year where the Society received any ongoing income from insurance products other than hospital cover. Over time this revenue stream will grow as the risk and pet insurance not only includes an upfront payment, but it also includes ongoing trail commission.

This year's deficit is -\$1,092,174 (prior year \$397,273) and is after the payment of \$138,743 for the second round of grants and investment losses of -\$925,986 (prior year \$645,503).

Investment Management

This is Mercer (N.Z.) Limited's second year that they have managed the fund. In last year's Performance Report, we indicated that there were potentially some significant issues that could impact on market volatility for the 2021-2022 financial year. The level of volatility was however far greater than the experts anticipated.

The new financial year has continued to see a continuation of the investment market volatility and increased losses in the Fund. At this stage the global economic and political outlook is negative and until global inflation is under control, and the global geopolitical landscape improves, this volatility is likely to continue.

Sales Performance

HealthCarePlus's role is to generate leads for our financial advice partner Crombie Lockwood. Since COVID the model has evolved to a situation where your Members enrol for the Primary Care plans via our online application, and when they are looking for hospital or risk insurance solutions they are directed to our financial advice partner. This model is working well with quotes for primary care plans at 2,842 (prior year of 1,548). This shows that the Members are responding well to this digital first strategy and this is further supported by the statistics where the Society had 211,024 website visits (prior year 145,407).

This year has been the most successful for new sales for many years, and in particular sales for the last half of the year have shown a significant improvement and this growth has continued into the new financial year. Over the year there has been a significant growth the total HealthCarePlus membership to 27,698 (prior year 23,488). The total of all health Insurance members has grown to 24,098 (prior year 23,114). The Associate Member category has grown to a total of 3,600 (prior year 374) and the number of members enrolled for our Health and Wellbeing program GoodForYou has grown to 1,786 (prior year 490.)

Our Voice of the Customer rating continue to deliver very high ratings with 90% of Members agreeing that 'It's Good to Belong.' In addition, our customer satisfaction scores for our communications are 90%, UniMed's claims satisfaction score is 94%, and our net promoter score (NPS) of 40 is well above the industry average where 30 is a good score. The team has also delivered a total of 413,224 emails up from 221,565 in the prior year illustrating the leverage you can achieve via automation.

The Way Forward

At the recent Board Strategic Planning Day, the Board commenced the process to develop a Strategic Plan on a Page. This document will become the cornerstone upon which the Society will develop the plans for the next stage of the Society's evolution. What is very clear is that the Society is evolving into a comprehensive Membership organisation that partners with our Union Owners to provide their Membership with access to a full range of highly valued, physical, mental, and financial health and wellbeing products and services. Our ambition is to become our Union Owner's second most valuable benefit after Bargaining. Our strength is our solidarity and the size of our combined membership with well over 160,000 members plus their whanau. As a collective the group has considerable buying power that the Society plans to use to negotiate even better deals on health and wellbeing products and services for your members

The Society has recently completed the third round of allocation of the GrantsForGood program. By the end of this round the Society will have distributed almost \$500,000 in educational charitable grants. Our charitable purpose is something that both the Board and Management are very proud of, and it clearly illustrates that the Society is a values-based purpose driven organisation. The team has had first-hand experience in meeting with some of the grantees and hearing how they are using the grants to make real differences in the lives of New Zealanders. The Union Owners are thanked for their ongoing support and promotion of the grants and remind you all that our charitable fund-raising activity is by way of making sales of commission generating products and services. So, the more that your Members understand about HealthCarePlus's range of products and services then over time this will result in more funds available for Charitable Education Grants.

The Future

2023 is going to be a very important year for EBS as the Society will be celebrating our 60th year since incorporation. There are plans to celebrate this in an appropriate manner and the Society will provide you with more details in 2023.

The Board would like to recognise those Union Owners that have embraced the work that the local marketing team is doing to support your Members. The significant growth in membership is a direct response to your engagement and commitment to actively support the Society. The Board would like to reach out to those Unions that are still not as engaged as the Board, is firmly of the view that your Members are missing out. The voice of the customer surveys confirms that HealthCarePlus has a unique range of highly valued Member only Health and Wellbeing benefits, that your Members are entitled to.

The future will continue to see some considerable regulatory challenges. Once the new Charities Act is finalised the Constitution will need to be reviewed to ensure that it complies with the Incorporated Societies Act 2022 and any implication from the modernising of the Charities Act. It is anticipated that any required amendments to the Constitution will be brought to the 2023 AGM.

The Society is well placed to enter a period of consistent and significant growth. It has a clear strategic direction, and a strong balance sheet, and is supported by our Union Owners who themselves are currently experiencing unprecedented membership growth.

The world is however facing a turbulent period both economically and politically, and New Zealand and the local Union Movement is no different. However, by coordinating the Union Owners collective support behind the Society, the Society is well placed to support both the Union Owners and their Members both during this challenging time and well into the future.

Thankyou

The Board and Management would like to acknowledge and thank our business partners for their ongoing support and especially, the team at Pocock Tong Trass our Virtual CFO, the team at UniMed our Health Insurance partner, and our financial advice partner the team at Crombie Lockwood (monument) and their nationwide team of HealthCarePlus Financial Advisers.

Both the Board and the team at HealthCarePlus believes that the Society is ideally positioned to weather the economic or geopolitical challenges in the near term and capitalise on the opportunities before us. The Society still has a very low penetration within our Union Owners membership, so the opportunities for growth are significant. HealthCarePlus is a purpose driven business, and our commitment is to become your Union's second most important Membership Benefit after Bargaining. The Society aims to achieve this by providing your Members with access to a comprehensive range of products and services that meet their Financial, Physical, and Mental Health and Wellbeing.

Performance Report

Education Benevolent Society Incorporated
For the year ended 30 June 2022

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Entity Information

Education Benevolent Society Incorporated For the year ended 30 June 2022

'Who are we?', 'Why do we exist?'

Legal Name of Entity

Education Benevolent Society Incorporated

Entity Type and Legal Basis

Incorporated Society and Registered Charity.

Incorporation Number

441954

Charities Registration Number

CC57027

Entity's Purpose or Mission

To provide eligible union members (and their families) access to a uniquely generous and affordable healthcare scheme and use accumulated funds to generate a surplus to distribute to eligible New Zealanders as charitable education grants and give back to the community of Aotearoa New Zealand.

Entity Structure

Education Benevolent Society (the Society) is governed by six board members appointed by the six member Unions. There are four Member Board Members appointed by the Unions with the largest membership of the Society and two Independent Board Members.

The board members are as follows;

Darrell Ward - Chairperson, Member Board Member representing NZEI Te Riu Roa
Samantha Stephen - Deputy Chair, Member Board Member representing Tertiary Education Union
Daniel Mussett - Independent Board Member
Kirsten Thompson - Independent Board Member
Benedict Ferguson - Member Board Member representing NZ Public Services Association
Allan Vester - Member Board Member representing NZ Post Primary Teachers Association

Main Sources of Entity's Cash and Resources

Funding for Grants:

The fund of investment assets (the Fund) that generates the returns available for distribution under the 'Grants for Good' programme, was created from the reserves that the Society retained for RBNZ solvency requirements when it operated as a licensed insurer.

Funding for Operating Expenses:

The Society funds the bulk of the operating costs including the insurance marketing activities, and grants management, from the commission derived from insurance products and services, and from investment returns.

Main Methods Used to Raise Funds

The Society funds its activities through its insurance marketing activities.

Entity's Reliance on Volunteers and Donated Goods or Services

The Society has no reliance on volunteers, or donated goods or services.

Registered Address

Level 5, 50 Manners Street
Te Aro
Wellington

Auditor

KPMG

Banker

BNZ

Solicitor

Duncan Cotterill

Fund Manager

Mercer (N.Z.) Limited

Approval of Financial Report

Education Benevolent Society Incorporated For the year ended 30 June 2022

The Board is pleased to present the approved financial report including the historical financial statements of the Education Benevolent Society Incorporated for the year ended 30 June 2022.

APPROVED



Chairperson

Date 10/10/22



Chief Executive

Date 10/10/22

Statement of Service Performance

Education Benevolent Society Incorporated

For the year ended 30 June 2022

Our Purpose

To support the advancement of education through the annual distribution of the Fund's surplus for the purposes of providing educational grants and scholarships, the provision and facilitation of professional development and training, and the facilitation of conferences for all eligible New Zealanders.

Our Business Model

The Society has residual funds that were accumulated to meet regulatory solvency requirements imposed by RBNZ when the Society operated as a registered health insurer. Since the Society ceased being an insurer and became a charitable entity, the Fund is no longer needed to meet RBNZ's solvency requirements and is invested with the objective of generating ongoing returns that can be distributed as charitable educational grants.

The Society's fund-raising activity is the promotion of insurance products and services that generates commission income. This income is used to fund the Society's operations and charitable grants administration. The Society and its Members are committed to continue to grow this income as any surplus after operating expenses will grow the Fund.

Objective of the Fund

The Society has a Distribution Policy for Granting that determines the basis upon which annual amounts available for distribution from the Fund are calculated. The Society engages external professional advisers to assist with the modelling of the sustainability and expected long-term returns from the Fund. The intention of the Society is that the Fund will be able to deliver an inflation-adjusted annual amount for distribution as charitable grants over all investment cycles. For this year's round, the Grants Committee approved funding for fourteen grants to the value of \$166,917, for distribution during the 2022 academic year. However, due to COVID, other personal reasons, and reclaimable GST, only eleven grants (three group and eight Individual grants) were paid out to the value of \$138,743 excluding GST.

Total Grants in 2022 – Eleven Grants totalling \$138,743 (2021: Ten Grants totalling \$179,195)

This year is the second round of our Grants For Good programme.

Group Grants- Three Grants totalling \$82,187 (2021: Three Grants totalling \$134,435)

The three successful Group grants are noted below.

Group Grant – Garden to Plate – St Peter's School Palmerston North

Project Description

"We are completely reshaping the school food environment with the view to improving the health (Hauora) and learning outcomes for our students and the wider community. We would like to offer healthy food programmes within our school that teach from a "garden to table" perspective where food is grown onsite, meals are then prepared by students in catering and hospitality classes, and healthy lunches, snacks, and drinks are provided to the students at minimal cost. Our senior (Level 1, 2 and 3 NCEA) hospitality students are required to gain catering experience in an authentic commercial environment. We would like to be able to offer the same healthy food to our students on a much larger scale on a daily basis, but we are restricted by lack of funding and equipment for this to happen. As the project gains momentum, we would like to develop a Horticulture programme for our students, that would offer "hands-on" practical skills and allow them to gain credits towards NCEA qualifications"

Group Grant - Kia piki te ora na piki te marama, Tu te ora Tu te mana (When health is uplifted, then clarity and understanding occur) – South Canterbury Kindergarten

Project Description

"This application is to fund the development of Stage 3 (Whakamana) of this long-term project that aims to improve educational outcomes for tamariki Maori attending kindergarten. Whakamana brings together elements from Stage 1 and 2 into a web-based format that will reflect who our association & each of our 16 kindergartens are, our partnership with mana whenua, our philosophical approach to learning and our strategic intention while providing a useful, culturally relevant and welcoming source of information, encouragement, engagement and empowerment for whanau, community, kaiako and others. A focus on the joint development and delivery of knowledge, skills, frameworks and structures is ongoing for kaiako, management and governance and is being tailored to support our community. This work lays the foundations for a truly equitable forward-thinking, bi-cultural model of learning that engages and supports the whole community to engage in the education of their tamariki."

Group Grant – Young Workers Resource Centre

Project Description

"The YWRC Help Centre will empower, educate, and advocate for young workers (15-35) anywhere in Aotearoa, and provide a pathway to employment justice for those who have been mistreated. This is important because youth are predominantly employed in non-unionised, precarious industries, and do not understand their rights – they are highly vulnerable to exploitation and typically fall through the cracks when issues occur.

The chief aims of the Help Centre are to:

1. Provide a safe and effective place for vulnerable young workers to seek assistance with complex employment issues and provide access to employment justice.
2. Empower young workers with their employment rights through employment relations education.
3. Instill young workers with the values of collectivism and foster positive attitudes towards the union movement.
4. Collect evidence of young worker exploitation and campaign for legislative reform that reform that improves labour market outcomes for youth."

Individual Grants – Eight Grants totalling \$56,556 (2021: Seven Grants totalling \$44,760)

Examples of Individual - Small Projects were:

Forest High School - The Duke of Edinburgh Award

The grant was to fund the cost for a group of students at Forest High School undertake the Duke of Edinburgh Award. The grant was used to meet the registration fees and the cost to purchase the equipment needed for the two overnight hiking and camping trips. This equipment will enable future students to also undertake the Award.

How has the grant from HealthCarePlus helped?

"This grant has meant that I can give all akōnga the opportunity to participate in the award without the barrier of cost involved. Having equal access to the same opportunities as those financially capable is so important as it shows these students that they can succeed no matter what their financial status is. It has meant that I could purchase vital specialist hiking equipment such as sleeping bags, camp cookers, pack liners and rain covers as well as tents. These items have been vital in getting students involved in the award as they no longer have to incur the cost of sourcing the items themselves or facing the stigma of not being able to afford it." Teacher

Hawkes Bay Trellis Trust

The grant was to fund the cost to run a resilience and self-development programme that will enable around 96 pre-teen girls and boys graduate from the 10-week programme.

How has the grant from HealthCarePlus helped?

“One of the whakatauki we teach our girls is “Ehara taku toa i te toa takitahi, engari he toa takitini” – Success is not the work of an individual, but the work of many.

This funding will help us to continue to run our programmes and be a layer of support to the almost 100 students that will undertake the programme in 2022. We also now have enough finance to provide one of our schools with a Shine Mentor for a year. One of the team will be able to go back into their school for an extra hour per week to help the girls apply the spractical skills they learnt during the term and provide ongoing support for them once they have completed the term.

Our Shine facilitators and teams are all volunteers, so this funding also allows us to thank them with a little extra petrol money. They give so much to these girls and we value them. Shine could not run without these amazing women who give so much of their time.” Trustee

Individual – Hardship and Professional Development

The Society’s ‘Grants For Good’ programme also supported six individuals (2021: six individuals) with grants to undertake tertiary studies in, Health Sciences, Public Health, Musical Play Therapy, Occupational Therapy, Indigenous Studies, and Clinical Psychology that ranged from Bachelor’s degrees to Doctorates.

Statement of Financial Performance

Education Benevolent Society Incorporated For the year ended 30 June 2022

'How was it funded?' and 'What did it cost?'

	NOTES	2022	2021
Revenue			
Revenue from providing goods or services	1	806,612	789,652
Interest, dividends and other investment revenue	1	8,018	645,503
Other revenue	1	87,342	17,080
Total Revenue		901,973	1,452,235
Expenses			
Employee related costs	2	648,995	594,138
Costs related to providing goods or service	2	280,423	281,630
Grants and donations made	2	138,743	179,195
Other Investment losses	2	925,986	-
Total Expenses		1,994,147	1,054,962
Surplus/(Deficit) for the Year		(1,092,174)	397,273

Statement of Financial Position

Education Benevolent Society Incorporated

As at 30 June 2022

'What the entity owns?' and 'What the entity owes?'

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Bank accounts and cash	3	370,941	766,412
Debtors and prepayments	3	232,840	132,087
Other Current Assets	3	600,000	500,000
Total Current Assets		1,203,782	1,398,499
Non-Current Assets			
Property, Plant and Equipment	5	9,485	24,171
Investments	3	7,675,920	8,601,906
Total Non-Current Assets		7,685,405	8,626,076
Total Assets		8,889,187	10,024,575
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	83,016	146,201
Employee costs payable	4	45,864	25,894
Other current liabilities	4	-	-
Total Current Liabilities		128,880	172,094
Total Liabilities		128,880	172,094
Total Assets less Total Liabilities (Net Assets)		8,760,306	9,852,481
Accumulated Funds			
Accumulated surpluses	6	8,760,306	9,852,481
Total Accumulated Funds		8,760,306	9,852,481

Statement of Cash Flows

Education Benevolent Society Incorporated For the year ended 30 June 2022

'How the entity has received and used cash'

	2022	2021
Cash Flows from Operating Activities		
Receipts from providing goods or services	808,080	785,289
Cash receipts from other operating activities	17,080	-
Payments to suppliers and employees	(926,958)	(859,505)
Donations or grants paid	(199,983)	(85,434)
Total Cash Flows from Operating Activities	(301,781)	(159,649)
Cash Flows from Investing and Financing Activities		
Interest, dividends and other investment receipts	6,311	8,819
Net (Purchases of)/Sales of investments	(100,000)	100,000
Payments to acquire property, plant and equipment	-	(2,080)
Total Cash Flows from Investing and Financing Activities	(93,689)	106,739
Net Increase/(Decrease) in Cash	(395,471)	(52,911)
Bank Accounts and Cash		
Opening cash	766,412	819,323
Closing cash	370,941	766,412
Net change in cash for period	(395,471)	(52,911)

Statement of Accounting Policies

Education Benevolent Society Incorporated

For the year ended 30 June 2022

'How did we do our accounting?'

Basis of Preparation

The Society has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Society will continue to operate in the foreseeable future.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Goods and Services Tax (GST)

The Society is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

No taxation has been provided for as the Society is a charity and has been exempt from income tax since receiving charitable status 4 October 2019.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Society and revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised:

Revenue from Providing Goods and Services

Revenue from providing goods and services is recognised as revenue in the year in which it relates, when it is probable that the future economic benefits will flow to the Society and the fair value of the revenue can be reliably measured.

Interest, Dividends and Other Investment Revenue

Interest, dividend and investment revenue is recognised in the Statement of Financial Performance as it is earned, on an accruals basis.

Other investment revenue comprises the unrealised/realised gain on the investment portfolio.

Other Revenue

Other revenue consists of a profit share from UniMed due as at 30 June 2022. The profit share is calculated based on a Surplus Share Agreement put in place at the time the Society transferred the insurance business to UniMed.

Property, Plant and Equipment

Recognition and measurement

All property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Any gain or loss on disposal of an item of property, plant or equipment is recognised in surplus or deficit.

Depreciation

Depreciation is calculated on a straight line basis to write off the cost of items of property, plant and equipment less their residual values using the published IRD rates over their useful lives, and is recognised in surplus or deficit.

The depreciation rates associated with major classes of assets have been estimated as follows:

20% - Furniture & Fittings

40% - Computer Equipment (including software)

Employee Costs

Employee entitlements are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not taken at balance date, and long service leave.

The Society recognises a liability and an expense for bonuses it is contractually obliged to pay, or where a past event has created a constructive obligation.

Grants Paid

The Society recognises grants in the period they are approved for distribution.

Tier 2 PBE Accounting Standards Applied

The Society has applied IPSAS 28: Financial Instruments: Presentation, IPSAS 29: Financial Instruments: Recognition and Measurement, and IPSAS 30: Financial Instruments: Disclosures for its investment balances. Investments are designated at fair value through surplus or deficit upon recognition. Directly attributable transaction costs are recognised in profit and loss as incurred. Financial assets at fair value through surplus or deficit are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Notes to the Performance Report

Education Benevolent Society Incorporated

For the year ended 30 June 2022

	2022	2021
1. Analysis of Revenue		
Revenue from providing goods or services		
Commission on Hospital Cover	793,313	786,523
Commission from other insurance products and services	13,299	3,129
Total Revenue from providing goods or services	806,612	789,652
Interest, dividends and other investment revenue		
Interest Received	8,018	7,173
Fair value gain on revaluation of investments	-	638,330
Total Interest, dividends and other investment revenue	8,018	645,503
Other revenue		
UniMed Profit Share	87,342	17,080
Total Other revenue	87,342	17,080
	2022	2021

2. Analysis of Expenses

Employee related costs		
Board Member Fees	139,375	140,625
Employee Related Costs	5,507	4,960
Salaries	504,113	448,553
Total Employee related costs	648,995	594,138
Costs related to providing goods or services		
Professional Expenses		
Accounting Fees	34,240	29,705
Audit Fees	20,519	20,475
Auditors Fees - Non Audit Work	6,020	-
Consultants	13,955	-
Legal Services	18,122	12,844
Health Funds Association Membership	-	4,788
Financial Services Council Membership	10,000	-
Philanthropy NZ Membership	1,020	-
Total Professional Expenses	103,877	67,812
Other Administration and overhead expenses		
Rent & Related Occupancy	29,950	29,880
Depreciation and Amortisation	14,686	18,854
Bank Charges	166	154
Computer Expenses	38,627	34,991
Office Administration	46,488	48,023

	2022	2021
Printing, stationery, advertising	46,630	81,916
Total Other Administration and overhead expenses	176,546	213,818
Total Costs related to providing goods or services	280,423	281,630
Grants and donations made		
Category 1 Grants Paid	56,556	44,760
Category 2 Grants Paid	82,187	134,435
Total Grants and donations made	138,743	179,195
Other investment losses		
Fair value losses on revaluation of investments	925,986	-
Total Other investment losses	925,986	-
	2022	2021

3. Analysis of Assets

Bank accounts and cash		
BNZ Bank Accounts	370,941	766,412
Total Bank accounts and cash	370,941	766,412
Debtors and prepayments		
Accounts Receivable	77,531	76,287
Prepayments	65,425	35,173
Interest Accrued	2,542	835
Sundry Debtors	87,342	19,792
Total Debtors and prepayments	232,840	132,087
Other current assets		
BNZ Term Deposits with maturity > 90 days	600,000	500,000
Total Other current assets	600,000	500,000
Investments		
Multi-Asset Fund	7,675,920	8,601,906
Total Investments	7,675,920	8,601,906
	2022	2021

4. Analysis of Liabilities

Creditors and accrued expenses		
Accounts Payable	28,830	63,037
BNZ Credit Cards	2,590	738
GST	9,182	11,278
Accrued Expenses	42,414	71,147
Total Creditors and accrued expenses	83,016	146,201
Employee costs payable		
Accrued Wages	6,957	5,057

Accrued Holiday Pay	38,907	20,837
Total Employee costs payable	45,864	25,894

2022 **2021**

5. Property, Plant and Equipment

Furniture and Fittings

Furniture and fittings owned	54,249	55,510
Accumulated depreciation - furniture and fittings owned	(46,094)	(43,392)
Total Furniture and Fittings	8,155	12,118

Computer Equipment

Computer equipment owned	22,079	23,866
Accumulated depreciation - computer equipment owned	(22,078)	(21,836)
Total Computer Equipment	1	2,031

Computer Software

Computer software owned	22,980	22,980
Accumulated depreciation - computer software owned	(21,650)	(12,958)
Total Computer Software	1,330	10,022

Total Property, Plant and Equipment **9,486** **24,171**

2022 **2021**

6. Accumulated Funds

Accumulated Funds

Opening Balance	9,852,481	9,455,208
Current year earnings	(1,092,174)	397,273
Total Accumulated Funds	8,760,306	9,852,481

7. Related party transactions

There were no related party transactions during the year not transacted at arms length. (2021: Nil)

8. Commitments

The Society entered into an agreement to lease premises and storage at Level 5, 50 Manners Street from 1 July 2019. The lease commitment is for three years, two months at \$25,650 per annum expiring 31 August 2022. The Society has agreed to a further extension of two years to 31 August 2024 at \$27,185 per annum for the first year, and \$28,595 for the second year of the extension.

9. Grants for Good

During the prior financial year the Society resolved to earmark \$400,000 of funds to provide 'Grants for Good' for the 2021 and 2022 financial years. In the 2022 financial year the Society allocated \$138,743 (2021: 179,195) to grant recipients.

10. Impact of Covid-19

On 30 January 2020, the spread of novel Corona virus (COVID-19) was declared a public health emergency by the World Health Organisation. New Zealand's government along with governments around the world have placed lockdown restrictions to various degrees impacting movement of people and business operations. These restrictions continue to impact the Society's activities.

The Board will continue to monitor the impact of COVID-19 on the Society.

The Board maintains the view that the Society has sufficient resources that it will continue to operate as a going concern.

11. Events after the reporting date

There were no events that have occurred after the reporting date that would have a material impact on the performance report. (2021: No events).



Independent Auditor's Report

To the members of Education Benevolent Society Incorporated

Report on the audit of the performance report

Opinion

In our opinion, the accompanying performance report of Education Benevolent Society Incorporated (EBS) (the 'incorporated society') on pages 6 to 17:

- i. present fairly in all material respects the incorporated society's financial position as at 30 June 2022 and its financial performance and cash flows for the year ended on that date in accordance with PBE Simple Format Reporting Standard - Accrual (Not For Profit); and
- ii. suitably report the outcomes and outputs, and quantifies the outputs to the extent practicable, in the statement of service performance.

We have audited the accompanying performance report which comprise:

- the statement of financial position as at 30 June 2022;
- the statements of financial performance and cashflows for the year then ended;
- notes, including a summary of significant accounting policies and other explanatory information; and
- the statement of service performance and entity information on pages 6 to 8.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'), and the audit of the statement of service performance and entity information, in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ISAE (NZ) 3000'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the incorporated society in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) and ISAE (NZ) 3000 are further described in the auditor's responsibilities for the audit of the performance report section of our report.

Other than in our capacity as auditor we have no relationship with, or interests in, the incorporated society.



Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.



Responsibilities of the Board for the performance report

The Board, on behalf of the incorporated society, are responsible for:

- the preparation and fair presentation of the performance report in accordance with generally accepted accounting practice in New Zealand (being PBE Simple Format Reporting Standard - Accrual (Not For Profit));
- implementing necessary internal control to enable the preparation of a performance report that is fairly presented and free from material misstatement, whether due to fraud or error;
- identifying outcomes and outputs that are relevant, reliable, comparable and understandable, and quantifying the outputs to the extent applicable, to report in the statement of service performance; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the performance report

Our objective is:

- to obtain reasonable assurance about whether the performance report as a whole is free from material misstatement, whether due to fraud or error;
- perform procedures to obtain and evaluate evidence in regards to whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of this performance report is located at the External Reporting Board (XRB) website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-18/>

This description forms part of our independent auditor's report.



KPMG
Wellington

10 October 2022