



Health and Care Support

Company number 6876310

Charity Number 1130424

Report and Consolidated Accounts
for the Year Ended 30 September 2011

FRIDAY



A14B3DH5

A12

09/03/2012

#176

COMPANIES HOUSE

MASONIC SAMARITAN FUND

Company Number 6876310; Charity Number 1130424

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees are pleased to present the annual report and financial statements, which cover the year from 1 October 2010 to 30 September 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

Board of Trustees and Organisational Structure

Masonic Samaritan Fund ("the Charity") is a charitable company limited by guarantee, registered in England. It was incorporated on 14 April 2009 for the purpose of taking over the charitable work of the unincorporated trust also called Masonic Samaritan Fund, registered charity number 1001298 ("the unincorporated trust"). On 1 October 2009, the assets and undertaking of the unincorporated trust were transferred to the Charity. The unincorporated trust has now been dissolved.

Trustees are appointed in accordance with the Articles upon nomination by the Grand President, Metropolitan Grand Master and Provincial Grand Masters. Newly appointed Trustees benefit from an induction programme. This programme includes the provision of formal briefings, written material and a tour of the Charity's premises. Trustees are Directors of the company for the purposes of company law.

The members of the Charity are the Trustees, the Grand President, Deputy Grand President and Grand Vice Presidents, together with two representatives appointed by each Provincial Grand Lodge and six appointed by the Metropolitan Grand Lodge.

The Board of Trustees is responsible for overall management of the Charity. Much of its work is carried out by the following three subcommittees, each of which is chaired by a member of the Board of Trustees:

- Executive and Finance Committee
- Grants Committee
- Investment Committee

Day-to-day management is carried out by the Chief Executive and his staff. The Chief Executive is answerable to the Board of Trustees through the President.

Related Charity

In accordance with a Scheme approved by the High Court on 20 July 1999, the Royal Masonic Hospital Charity ("RMHC"), registered Charity Number 205793, is controlled by a Board of Management defined as the persons who from time to time constitute the Board of Trustees of the Charity. The High Court Order has been amended in accordance with a resolution of the members of the unincorporated trust to delete references to the unincorporated trust and substitute references to the Charity.

RMHC continues to receive substantial legacy income, and during the year made grants totalling £690,000 to MSF.

The results for RMHC have been consolidated with those of the Charity in the financial statements

REFERENCE AND ADMINISTRATIVE INFORMATION

The officers of the Charity during the year and at the date of this report were as follows

Grand President

M W Bro H R H The Duke of Kent, KG, *Grand Master*

Deputy Grand President

M W Bro P G Lowndes, *ProGrand Master*

Grand Vice Presidents

R W. Bro J Spence, *Deputy Grand Master*

R W. Bro D K Williamson, *Assistant Grand Master*

Honorary Grand Vice Presidents

R W Bro The Rt Hon the Earl of Eglinton and Winton, *P Asst Grand Master*

R W Bro I R Bryce, TD, DL, *P Deputy Grand Master*

Board of Trustees

V W Bro H W J Stubbs, *President and Chairman of the Board of Trustees*

W Bro J M G Bartlett, FCA, PJGD *Deputy President and Treasurer*,
(resigned 27 October 2011)

R W Bro S Adcott ProvGM (Cheshire)

W Bro G J A Brown MB, ChB, FRCS, PAGDC (resigned 8 September 2011)

W Bro M D Childs CQSW, PAGDC

R W Bro J K Clayton FRCOG ProvGM (Yorkshire, West Riding)

W Bro O Davison MB, BS, FRCS, LGR, PProv GReg (Northants and Hunts)

W Bro J Dennison MB, FRCP, SLGR (appointed 10 January 2011)

W Bro. G Ezekiel BSc, MBBS, LRCP (Lond), MRCS (Eng), PPDGR

W Bro Dr S Fellerman MB, ChB, DRCOG, PM

Mrs Katharine Fender SRN, Dip N, BSc

R W. Bro N E Heaviside ProvGM (Durham)

W Bro M R Heenan BSc, FCA, P Pr JGW (appointed 8 September),
Treasurer from 27 October 2011

W Bro C L Kennedy MB BS, FRCS, LGR, PProvGR

W Bro R Killingbeck FSI

W Bro R J Manning QPM, PAGStB, PPSGW (resigned 8 September 2011)

W Bro D Nunn MB, BS, LRCP MRCS, FRCS, FRCSEdOrth, SLGR PAGDC

Bro Dr O B O'Toole MB ChB DRCOG FRCGP

R W Bro J G R Rudd DL, FCA, FCMI, ProvGM (Derbyshire)

W Bro G M Sisson CPFA, PAGDC

W Bro M B Squires FCA, FCCA, FTII, ATT, PAGDC

W Bro C G Williams, C Eng, FIMechE, DSEM, P Dep G Swd B, PAPGM (Essex)

Chief Executive

R Douglas, BEd (Oxon)

Advisors

The Charity's advisors during the year were

Auditors

Russell New Limited, The Courtyard, Shoreham Road, Upper Beeding,
Steyping, West Sussex BN44 3TN

Investment Managers

Fulcrum Asset Management LLP, 6 Chesterfield Gardens, London W1J 5BQ
GAM London Limited, 12 St James's Place, London SW1A 1NX
Hargreave Hale Limited, Accurist House, 44 Baker Street, London W1U 7AL

Bankers

National Westminster Bank plc, 214 High Holborn, London WC1V 2BX

Solicitors

Dickinson Dees, The Chocolate Works, Bishopthorpe Road, York YO23 1DE

Registered Office and Principal Address

60 Great Queen Street, London WC2B 5AZ

Risk Management

The Board has continued to monitor the risks to which the Charity is exposed, and is satisfied that appropriate steps have been or are being taken to mitigate exposure to those risks. The main risks identified were

- a) *significant long-term loss in the value of the investment portfolio* this has been mitigated by the engagement of three firms of investment managers which are authorised and regulated by The Financial Services Authority, and by giving appropriate instructions to those firms. The performance of the managers appointed is reviewed regularly. Although the value of the portfolios continued to fluctuate in difficult market conditions, it is anticipated that their value will increase in the long term.
- b) *destruction of computer records* the Charity's computer systems are managed by the IT department of the United Grand Lodge of England (UGLE), which provides comprehensive backup facilities and support.
- c) *destruction of paper records (e.g. by flood or fire)* steps have been taken towards introducing a data management system which will reduce the requirement for the retention of paper-based records.
- d) *breach of patient confidentiality* All staff are bound by a confidentiality clause in their Terms and Conditions of Employment. A formal written declaration has been given by all Trustees confirming their commitment to patient confidentiality.
- e) *unavailability of office accommodation* UGLE has a disaster recovery plan intended to facilitate business continuity in off-site premises.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The objects for which the Charity is established are to advance health and relieve those in need (whether financially or otherwise) by reason of their ill-health or disability by the provision of medical assistance, support, treatment, care or advice to Beneficiaries. The "Beneficiaries" are Freemasons, the wives (or widows as the case may be) or the children or Dependants or Partners of Freemasons or deceased Freemasons.

The Board of Trustees has determined that it will principally give relief to applicants who demonstrate a financial need and who are otherwise unable to obtain treatment or care from the National Health Service or Local Authority without undue delay or hardship.

Public Benefit

The members of the Board of Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. As described above, the Charity offers assistance to Freemasons and their dependants who can demonstrate a medical and financial need. The Charity has continued to make grants in aid of medical research, and it is intended to consider making further such grants in the future, subject to the availability of funds. There are currently 210,000 Freemasons in England and Wales, and it is believed that the number of dependants is at least similar. Thus almost half a million people are potentially eligible for the Charity's help. Freemasonry is a secular fraternal society which is open to all adult men who subscribe to its moral and spiritual values.

Achievements and Performance

The following were the objectives set by the Trustees for the year to 30 September 2011:

- *to continue to increase awareness of the work of the charity, in particular of the areas of assistance which are newly available, and thereby increase charitable expenditure*, as noted elsewhere, grants expenditure increased significantly during the year. This is believed to be due to a number of factors, one of which is the Charity's continuing effort to make its services known to as many potential beneficiaries as possible.
- *to ensure that appropriate resources and systems are in place to meet the anticipated increase in demand whilst maintaining the quality of support to all eligible beneficiaries*, during the year a new Grants Director was appointed and an additional member of the Grants team recruited. A major update of the Grants database was commissioned, the updated database is now in use.

- *to continue to work closely with the other Masonic Charities to identify appropriate joint initiatives for the benefit of all eligible beneficiaries, the joint communications initiative “Freemasonry Cares” continues to be rolled out across England and Wales and is due to be complete by the summer of 2012. A joint application form, used by all three central Masonic grant-giving charities, has been designed and is now in use. The Freemasons’ Grand Charity continues to provide invaluable assistance with the evaluation of medical research projects. Members of the Grants Department continue to work closely with the RMBI Care Advice Team in support of applicants in need of respite care, house adaptations and mobility support.*
- *to consider funding one or more appropriate research projects, seven grants were awarded during the year.*

FINANCIAL REVIEW

Fundraising

The Oxfordshire Festival reached its conclusion in July 2011. The declared Festival total was £1.58 million of which £0.98 million was raised by Craft Lodges within the Province. The Charity is most grateful to the Festival organising committees and other Brethren who have worked so hard, and to those who gave so generously.

Income from donations and legacies was less than half the amount received in the previous year, mainly because the 2010 figure was inflated by the exceptionally large donation of £4.5 million received from West Lancashire. The Charity is very grateful to all those, whether in Festival or not, who have made donations during the year.

Charitable Expenditure

During the year the Grants Committee approved grants totalling £5.12 million (2010: £3.57 million) in support of 1,036 (2010: 760) applications. The net figure of £4.52 million represents the actual expenditure after deducting applicants’ contributions and adjusting for cases where funding was not taken up.

Reserves Policy

The Board of Trustees has reaffirmed its Reserves Policy, which is to maintain the Charity’s reserves at a level of at least five times annual expenditure. This policy has been in place for some years, and the Board is well aware that the reserves currently held (£54.12m) significantly exceed that level. However the increase in charitable expenditure and the fall in the value of the Charity’s investments during the year have resulted in a reduction of £2.63m in the Charity’s reserves. It is intended to continue to run deficits until such time as the level of reserves is in line with the policy. In view of the cuts in NHS and Local Authority provision, it is expected that charitable expenditure will continue to increase in future years. The Trustees continue to consider further widening the areas in which they are prepared to give assistance, and to endeavour to increase awareness among eligible beneficiaries of the help which the Charity can offer.

Investments Policy

The Board of Trustees has reaffirmed its Investments Policy, which is to seek a balance between income to enhance immediate cash flow requirements and capital growth for future outlay. Detailed guidelines are given to the Investment Managers in order to achieve this objective. The Policy is reviewed at least annually by the Investments Committee in consultation with the Investment Managers. The guidelines stipulate that no direct investment is to be made in any company whose main business is the production of tobacco or tobacco products.

The portfolio managed by Hargreave Hale has continued to perform well. The performance of the Fulcrum and GAM portfolios has been disappointing. The Board of Trustees, through the MSF Investments Committee and the Joint Investments Group, which comprises representatives of all four central Masonic Charities, continues to monitor the performance of all the portfolios, and will make changes if necessary. Because Fulcrum and GAM invest mainly in funds which reinvest their income, that income is not included in investment income which consequently is lower than might be expected.

FUTURE OBJECTIVES

The Board of Trustees has set the following objectives for the year commencing 1 October 2011

- to consider whether, and if so how, the Charity should make grants in support of mental health,
- to continue to increase awareness of the work of the charity, in particular of the areas of assistance which are newly available, and thereby increase charitable expenditure,
- to ensure that appropriate resources and systems are in place to meet the anticipated increase in demand whilst maintaining the quality of support to all eligible beneficiaries,
- to continue to work closely with the other Masonic Charities to identify appropriate joint initiatives for the benefit of all eligible beneficiaries,
- to consider funding one or more appropriate research projects

PRESIDENT'S REVIEW

Charitable expenditure in total shows an increase of £1 27 million compared with the previous year £0 35 million of the increase represents research grants, but the balance arises from greatly increased grant-giving activity. Meanwhile, donation income has fallen back from the heights of last year (which were mainly attributable to the one-off donation of £4 5 million from the Province of West Lancashire). The resulting deficit would, in most organisations, be a cause for concern, but in our particular circumstances we are delighted that more of our funds have been put to work helping those who need our assistance.

Our financial health remains robust. The current squeeze on public expenditure is beginning to affect the provision of NHS and Local Authority services, and it seems inevitable that demand for the Charity's assistance will again increase in the coming year. The Charity is well placed to meet the demand.

The Board continues to consider further widening of the areas in which the Charity offers support, whilst continuing to publicise the Charity's work. Despite all the efforts which have been made, there remains a worrying lack of awareness among the Craft about the Charity. It is our aim to ensure that no potential applicant misses out on our help because of a lack of knowledge about the work of the Charity.

In difficult markets, the performance of the investment portfolios has been disappointing, with two of the three managers failing to achieve the performance set out in their mandate. The Trustees will continue to monitor the performance of the investments, and take appropriate action where necessary.

In conclusion, I am very grateful to all those who continue to make donations and work to raise money for the Charity. Their support is vital if we are to continue to meet the demand for help from those in need. Their gratitude is beyond words. I am also most grateful to the members of the Board of Trustees who give so freely of their time and to our dedicated and hardworking staff for all they do to help those less fortunate than ourselves.

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF TRUSTEES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of Masonic Samaritan Fund for the purposes of company law, are responsible for preparing the Trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year

In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information

AUDITORS

A resolution proposing that Russell New Limited be reappointed as auditors of the company will be put to the members



H. W. J. Stubbs
President

19 January 2012

MASONIC SAMARITAN FUND

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MASONIC SAMARITAN FUND

We have audited the accounts of Masonic Samaritan Fund for the year ended 30 September 2011 set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of Masonic Samaritan Fund for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's and group's affairs as at 30 September 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

MASONIC SAMARITAN FUND

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires to us report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mark Cummins

Mark Cummins FCCA
Senior Statutory Auditor
for and on behalf of Russell New Limited
Statutory Auditors
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

Dated *31 January 2012*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2011

	<u>Note</u>	2011	2010
		£000	£000
<u>Incoming resources</u>			
Incoming resources from generated funds			
Donations and legacies (parent charity)	2	3,063	7,255
Legacies (RMHC)		283	232
Investment income			
Parent charity	3	358	595
RMHC		385	441
Other income		1	1
Total incoming resources		<u>4,090</u>	<u>8,524</u>
<u>Resources expended</u>			
Costs of generating funds			
Costs of generating voluntary income	5	141	133
Investment management costs (parent Charity)		186	85
Investment management costs (RMHC)		37	31
		<u>364</u>	<u>249</u>
Net incoming resources available		<u>3,726</u>	<u>8,275</u>
Charitable activities			
Net patient costs	4	4,515	3,422
Patient care and support	5	410	588
Development	5	250	243
Research		430	80
Governance costs			
Festival and donor records	5	109	105
Finance, support and management	5	231	224
RMHC		(5)	8
Total resources expended		<u>6,304</u>	<u>4,919</u>
Net incoming resources before other recognised gains/losses		(2,214)	3,605
Transferred from unincorporated trust		-	39,464
Net incoming resources		<u>(2,214)</u>	<u>43,069</u>

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2011

continued

		2011	2010
		£000	£000
Gains/(losses) on investments	9		
Realised (parent charity)		977	3,775
Realised (RMHC)		645	(61)
Unrealised (parent charity)		(1,257)	(2,059)
Unrealised (RMHC)		<u>(779)</u>	<u>1,160</u>
Net movement in funds		(2,628)	45,884
 Funds at 1 October 2010		 56,749	 10,865
 Funds at 30 September 2011	 15	 <u>54,121</u>	 <u>56,749</u>

All activities are classified as continuing

SUMMARY INCOME AND EXPENDITURE ACCOUNT

as at 30 September 2011

Gross Income	4,090	8,524
Gain/(loss) on disposal of investment assets held by income funds	<u>1,622</u>	<u>3,714</u>
Total Income	5,712	12,238
Total Expenditure from income funds	<u>6,304</u>	<u>4,919</u>
Net Income for the year	<u>(592)</u>	<u>7,319</u>

The summary income and expenditure account is derived from the statement of financial activities on page 11 which, together with the notes on pages 17 to 26, provides full information on the movements during the year on all funds of the charity

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net income for the year	(592)	7,319
Unrealised (losses)/ gains on investment assets held by income funds	<u>(2,036)</u>	<u>(899)</u>
	<u>(2,628)</u>	<u>6,420</u>

CONSOLIDATED BALANCE SHEET
as at 30 September 2011

	<u>Note</u>	2011 £000	2010 £000
FIXED ASSETS AND INVESTMENTS			
Tangible assets	8	239	286
Investments	9	53,109	54,651
		<u>53,348</u>	<u>54,937</u>
CURRENT ASSETS			
Debtors and prepayments	10	267	1,135
Cash		1,605	1,318
		<u>1,872</u>	<u>2,453</u>
CREDITORS			
Amounts falling due within one year	11	(1,099)	(641)
NET CURRENT ASSETS		<u>773</u>	<u>1,812</u>
NET ASSETS		<u><u>54,121</u></u>	<u><u>56,749</u></u>
FUNDS			
Accumulated Funds at 30 September 2011	15	<u><u>54,121</u></u>	<u><u>56,749</u></u>

Approved by the Board of Management on 19 January 2012 and signed on its behalf by:

Hugh Stubbins
M R Heenan

H W J Stubbs
M R Heenan

President
Treasurer

MASONIC SAMARITAN FUND - Company Number 6876310

PARENT CHARITY BALANCE SHEET
as at 30 September 2011

	<i>Note</i>	2011 £000	2010
FIXED ASSETS AND INVESTMENTS			
Tangible assets	8	239	286
Investments	9	41,517	43,234
		<u>41,756</u>	<u>43,520</u>
CURRENT ASSETS			
Debtors and prepayments	10	125	574
Cash		1,581	1,310
		<u>1,706</u>	<u>1,884</u>
CREDITORS			
Amounts falling due within one year	11	(1,099)	(601)
		<u>607</u>	<u>1,283</u>
NET CURRENT ASSETS			
		<u>42,363</u>	<u>44,803</u>
NET ASSETS			
		<u>42,363</u>	<u>44,803</u>
FUNDS			
		<u>42,363</u>	<u>44,803</u>

Approved by the Board of Management on 19 January 2012 and signed on its behalf by

Hugh Stubbbs
M R Heenan

H W J Stubbbs *President*
M R Heenan *Treasurer*

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2011

	2011 £000	2010 £000
Reconciliation of excess of income over expenditure to net cash outflow from operating activities		
Changes in resources before revaluations	(592)	7,319
Investment income	(743)	(1,036)
Taxation recoverable on donations	(108)	(121)
Depreciation	52	51
Net (gain) on disposal of investment assets	(1,622)	(3,714)
(Increase) in debtors	868	(486)
Increase in creditors	458	339
Transfer from unincorporated trust	-	1,375
Net cash (outflow/inflow from operating activities)	(1,687)	3,727
Returns on investments and servicing of finance		
Interest received	330	186
Dividends received	413	850
Net cash inflow from returns on investments	743	1,036
Taxation		
UK income tax reclaimed	108	121
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(5)	(17)
Payments to acquire investments	(20,603)	(45,813)
Receipts from sale of investments	21,731	42,212
Net cash outflow from capital expenditure	1,123	(3,618)
(Decrease)/Increase in cash in the year	287	1,266

MASONIC SAMARITAN FUND - Company Number 6876310

	2011 £000	2010 £000
Reconciliation of net cash flow to movement in net cash balances		
(Decrease)/Increase in cash in the year	287	1,266
Opening balance	<u>1,318</u>	<u>52</u>
Net cash balances 30 September 2011	<u>1,605</u>	<u>1,318</u>

Analysis of net debt

Cash at bank and in hand

Opening balance	1,318	52
Cash flow	<u>287</u>	<u>1,266</u>
At 30 September 2011	<u>1,605</u>	<u>1,318</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011**

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 and the Companies Act 2006. The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Consolidation

These financial statements consolidate the results of Masonic Samaritan Fund ("the Charity") and the Royal Masonic Samaritan Hospital Charity ("RMHC") over which it has significant control. The results have been consolidated on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and paragraphs 396 and 397 of SORP 2005.

Donations

Donations are accounted for when received because the Charity, like other charities, cannot fully control voluntary donations until they are received by the Charity and entered into the accounting records.

Legacies

Legacies are included in income where it is known that they will be received by the Charity and the amount can be measured with reasonable accuracy.

Other Income

Other income is accounted for in the year to which it relates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

1. ACCOUNTING POLICIES - continued

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Costs have been allocated on the basis of staff time except where a different method is considered more appropriate. Governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Tangible fixed assets and depreciation

Mobility aids purchased for the use of beneficiaries nominally remain the property of the Charity, but since it would not be cost-effective to monitor the condition of these items with sufficient accuracy to establish their remaining useful life, they are written off when purchased. Depreciation is provided on all other fixed assets costing more than £1,000 at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life. Items costing less than £1,000 are written off on acquisition. The depreciation periods used are as follows:

Office refurbishment	10 years
Furniture, fixtures and fittings	4 years
Office equipment and machinery	4 years
Computer equipment	4 years
Motor vehicles	4 years

Investments

Investments are stated at market value. Details are given in Note 9. The Statement of Financial Activities (SOFA) includes the net gains and losses arising on revaluations and disposals throughout the year.

Operating Leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

Pensions

Contributions in respect of the Charity's defined contribution pension scheme are charged to the SOFA for the year in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the year are shown as an asset or liability in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

2. DONATIONS

Donations include amounts received in respect of future Festivals amounting to £1,834,000 (2010 £1,603,000)

3. INVESTMENT INCOME

	2011	2010
	£000	£000
Bank interest	66	9
Equities and unit trusts	157	363
Bonds	135	197
Property funds	-	26
	<u>358</u>	<u>595</u>

4. PATIENT COSTS

Medical costs	4,574	3,450
Less petitioners' contributions	(59)	(28)
	<u>4,515</u>	<u>3,422</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

5. TOTAL RESOURCES EXPENDED

	Staff Costs	Depn	Other Costs	Total
	£	£	£	£
<u>Costs of generating funds</u>				
Voluntary income	39	10	92	141
Investment management costs	-	-	223	223
Total	39	10	315	364
<u>Charitable activities</u>				
<u>Net patient costs</u>				
Activities undertaken directly	-	-	4,515	4,515
Support Costs	-	-	-	-
Total	-	-	4,515	4,515
<u>Patient care and support</u>				
Activities undertaken directly	-	-	101	101
Support Costs	253	10	46	309
Total	253	10	147	410
<u>Development</u>				
Activities undertaken directly	-	-	84	84
Support Costs	132	14	20	166
Total	132	14	104	250
<u>Research</u>				
Activities undertaken directly	-	-	421	421
Support Costs	9	-	-	9
Total	9	-	421	430
	433	34	5,502	5,969
<u>Governance costs</u>				
Festival and donor records	78	10	21	109
Finance, support and management	117	10	99	226
	195	20	120	335
Total Resources Expended	628	54	5,622	6,304

Governance costs include payments to auditors of £14,000 (2010 £14,000) All fees were for audit services Other costs include newsletter printing and distribution, printing of leaflets and posters, postage, stationery, telephone and IT costs and service charges

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

	2011	2010
6. STAFF COSTS	£000	£000
Salaries	504	476
Social security costs	56	54
Pension costs	45	43
Life and healthcare insurance	19	16
Recruitment	4	10
	<u>628</u>	<u>599</u>

The number of employees whose total emoluments excluding pension contributions exceeded £60,000 per annum was as follows

	2011	2010
	number	number
£100,001-£110,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

All staff costs were incurred by the parent Charity

The average number of persons employed by the Charity during the year was twelve (2010 eleven)

Nine employees are accruing benefits under a money purchase pension scheme
Pension contributions for these staff amounted to £44,599 (2010 £42,687)

No remuneration was paid to any Trustee

Trustees are entitled to claim out-of-pocket expenses necessarily incurred in the course of their work for the Charity. Generously, many do not. During the year, travel expenses totalling £6,799 (2010 £7,957) were paid to fourteen (2010 fifteen) Trustees

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

7. RESULTS OF CONTROLLING CHARITY

During the year the parent Charity, Masonic Samaritan Fund, contributed the following to the consolidated results

	2011	2010
	£000	£000
Gross income	3,417	7,851
Gross expenditure	(5,613)	(4,228)
Realised gain on investments	977	3,775
Unrealised loss on investments	(1,257)	(2,059)
Deficit/(Surplus) for the year	<u>(2,476)</u>	<u>5,339</u>

8. TANGIBLE ASSETS

	Office refurbishment	Machinery and office equipment	Furniture fixtures & fittings	Computer equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
1 October 2010	351	12	40	13	16	432
Additions	5	-	-	-	-	5
Disposals	-	-	-	-	-	-
30 September 2011	<u>356</u>	<u>12</u>	<u>40</u>	<u>13</u>	<u>16</u>	<u>437</u>
Depreciation						
1 October 2010	94	4	27	12	9	146
Disposals	-	-	-	-	-	-
Charge for year	35	3	10	-	4	52
30 September 2011	<u>129</u>	<u>7</u>	<u>37</u>	<u>12</u>	<u>13</u>	<u>198</u>
Net book value						
30 September 2011	<u>227</u>	<u>5</u>	<u>3</u>	<u>1</u>	<u>3</u>	<u>239</u>
Net book value						
30 September 2010	<u>257</u>	<u>8</u>	<u>13</u>	<u>1</u>	<u>7</u>	<u>286</u>

All assets are owned by the parent Charity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

9. INVESTMENTS	2011	2010
9a. Investments (consolidated)	£000	£000
Market value at start of year	45,312	9,455
Transferred in 1/10/09	-	36,169
Less unrealised appreciation	<u>(3,098)</u>	<u>(3,997)</u>
Cost at start of year	42,214	41,627
 Additions at cost	 26,373	 39,085
Disposals at cost	<u>(20,109)</u>	<u>(38,498)</u>
Cost at end of year	48,478	42,214
 Unrealised (depreciation)/appreciation	 <u>1,062</u>	 <u>3,098</u>
Market value at end of year	49,540	45,312
 Add cash held for investment	 <u>3,569</u>	 <u>9,339</u>
	<u>53,109</u>	<u>54,651</u>
 Investment assets in the UK	 13,352	 16,398
Investment assets outside the UK	<u>36,188</u>	<u>28,914</u>
	<u>49,540</u>	<u>45,312</u>

The following holdings represented more than 5% of the value of the portfolio

Fulcrum III Global Eq Z GBP - Dist (£3,670,000 - 7.4%)
 Fulcrum Global Fixed Int Z (£2,804,000 - 5.7%)
 GAM Trading II GBP (£2,666,000 - 5.4%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

	2011	2010
	£000	£000
9b. Investments (Parent Charity)		
Market value 30 September 2010	34,246	36,169
Unrealised (appreciation)	<u>(1,146)</u>	<u>(3,205)</u>
Cost at start of year	33,100	32,964
Additions at cost	22,258	34,702
Disposals at cost	<u>(17,009)</u>	<u>(34,566)</u>
Cost at end of year	38,349	33,100
Unrealised (depreciation)/appreciation	<u>(111)</u>	<u>1,146</u>
Market value at end of year	<u>38,238</u>	<u>34,246</u>
Add cash held for investment	3,279	8,988
	<u>41,517</u>	<u>43,234</u>

10. DEBTORS AND PREPAYMENTS

	2011		2010	
	Consolidated	Parent Charity	Consolidated	Parent Charity
	£000	£000	£000	£000
Legacies	127	25	625	410
Income tax recoverable	10	10	10	10
Accrued income	79	39	85	43
Prepayments	40	40	18	18
Other debtors	11	11	397	93
	<u>267</u>	<u>125</u>	<u>1,135</u>	<u>574</u>

11. CREDITORS: DUE WITHIN ONE YEAR

Deferred income	6	6	10	10
Patient costs	696	696	489	489
Other creditors and accruals	379	379	123	83
Taxation and social security	18	18	19	19
	<u>1,099</u>	<u>1,099</u>	<u>641</u>	<u>601</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

12. OPERATING LEASE COMMITMENTS

The Charity's offices are leased from United Grand Lodge of England at a peppercorn rent

13. FUTURE COMMITMENTS FOR PATIENT GRANTS

	2011	2010
	£000	£000
Balance 1 October 2010	562	440
Additional commitments entered into	5,116	3,572
Commitments met (gross)	(4,515)	(3,422)
Add back costs of mobility aids taken over from the Grand Charity	81	412
Adjustment for assistance offered but not taken up	<u>(575)</u>	<u>(440)</u>
Balance 30 September 2011	<u>669</u>	<u>562</u>

Grants to beneficiaries are recognised for accounting purposes on the day the treatment or assistance starts. The balance shown above represents grants which were approved before the year end but where treatment or assistance had not started at that date.

14. RELATED PARTY TRANSACTIONS - ROYAL MASONIC HOSPITAL CHARITY

As stated in the Report of the Board of Management, the Board also controls the Royal Masonic Hospital Charity (RMHC). During the year grants totalling £690,000 (2010: £652,000) were made by RMHC to the Charity. No material balances between the two charities existed at the balance sheet date.

The principal contact address for both charities is 60, Great Queen Street, London WC2B 5AZ.

15. FUNDS

All funds are unrestricted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2011

16. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £44,599 (2010 £42,687). £8,071 (2010 £3,310) was outstanding at the year end.

17. SHARE CAPITAL

Masonic Samaritan Fund is a company limited by guarantee and has no share capital. No one member has overall control of the charity.