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Health and Care Support

Company number 6876310

Charity Number 1130424



Report and Consolidated Accounts
for the Year Ended 30 September 2012

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 2011 to 30 September 2012

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 £664,000 to MSF. The results of 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 M R Heenan BSc, FCA, PAGDC *Treasurer*

R W Bro S Adcott ProvGM (Cheshire)

W Bro J M G Bartlett, FCA, PJGD (*retired 27 October 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

W Bro J Dennison MB, FRCP, SLGR

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

Bro A Flook (*appointed 17 May 2012*)

R W Bro N E Heaviside ProvGM (Durham)

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

W Bro R Killingbeck FSI

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 H I Sabin, BMSc MB ChB FRCS(Ed) FRCS(Eng) PGStwd MetSGW

(*appointed 25 October 2012*)

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)

(*retired 24 March 2012*)

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 LLP, St Ann's Wharf, 112 Quayside,
Newcastle Upon Tyne NE1 3DX

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
- 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)* data management systems are in use which limit the Charity's reliance on paper 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 204,000 Freemasons in England and Wales, plus a further 20,000 in overseas Districts, 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 2012:

- *to consider whether, and if so how, the Charity should make grants in support of mental health*, a research project was commissioned, following which it was decided to consider setting up a mental health helpline. Subject to further investigation, it is hoped that this will go live early in 2013.
- *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*, existing efforts to publicise the work of the Charity have continued, including the production of the bi-annual newsletter *In Need* and the work of the Development Director. In addition, a new post of Marketing and Communications Officer has been created to enhance the Charity's profile.
- *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*, the expected increase in demand has so far failed to materialise, but the staff and systems which are in place are considered adequate.

- *to continue to work closely with the other Masonic Charities to identify appropriate joint initiatives for the benefit of all eligible beneficiaries, several projects are under way with the aim of further rationalising and centralising the activities of the charities where appropriate*
- *to consider funding one or more appropriate research projects* A total of 10 grants was awarded during the year at a total cost of £473,000

FINANCIAL REVIEW

Fundraising

The Warwickshire Festival reached its conclusion in September 2012. The declared Festival total was a splendid £3.16 million, of which £2.34 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.

In spite of the efforts of Warwickshire and others, the Charity's income from donations and legacies shows a further fall compared with the previous year. While the Charity's financial position remains very strong, it is a matter of some concern that income continues to fall. It may be that effects of the continuing recession are finally taking their toll on the Charity's donation income. The Charity is very grateful to all those, whether in Festival or not, who have made donations during the year, and to those whose fundraising efforts are continuing.

Charitable Expenditure

During the year the Grants Committee approved grants totalling £4.19 million (2011: £5.12 million) in support of 974 (2011: 1,036) applications. The net figure of £3.87 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 (£56.27m) significantly exceed that level. During the year, the Charity's expenditure exceeded its income by £2.24m. However the investments showed a welcome recovery from the low point of last year, and contributed £4.39m in realised and unrealised gains, bringing the overall surplus for the year to £2.14m. The Trustees intend to continue to run deficits at the operating level until such time as the size of the reserves is more closely in line with the policy. Although expenditure on individual grants fell compared with the previous year, it is expected that, in view of the cuts in NHS and Local Authority provision, demand for the Charity's assistance will continue to grow. 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 continued to disappoint. 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 consider making changes in the coming year. 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 2012:

- to implement a scheme to offer assistance in cases of mental ill-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 a fall of £0.42 million compared with the previous year, mainly as a result of reduced expenditure on individual grants. This was unexpected, and it is not clear why demand for the Charity's help should have apparently weakened. However it seems unlikely that this trend will continue, given the continuing squeeze on public spending, and it is expected that 2012/13 will show a considerable increase in our charitable expenditure. The Charity's finances remain robust, and we are well placed to meet any increased demands.

The figures in the accounts do not, however, reflect all of the Charity's activities. Increasingly, staff are spending time dealing with enquiries which do not lead to an immediate application for assistance, sometimes callers just need help in accessing NHS or Local Authority provision, or a signpost to another charity or other body more appropriate to their circumstances.

The Board continues to consider further widening of the areas in which the Charity offers support, and, as noted elsewhere, is hoping to begin offering assistance with mental health cases. We also continue to strive to publicise the Charity's work, and to that end have created the new post of Marketing and Communications Officer. Yet 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.

The Charity continues to play an active part in the Freemasonry Cares initiative, which seeks to raise awareness of and improve access to all four central Masonic charities.

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

17 January 2013

Mugh Sush

MASONIC SAMARITAN FUND

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS AND TRUSTEES OF
MASONIC SAMARITAN FUND**

We have audited the accounts of Masonic Samaritan Fund for the year ended 30 September 2012 which comprise a Group Statement of Financial Activities, Group and Parent Charitable Company Balance Sheets, a Group Cash Flow Statement and related notes

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)

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

We have been appointed auditor under the Companies Act 2006 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the charitable company'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 financial statements

In addition, we read all the financial and non-financial information in the report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements.

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2012 and of the group's 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

Opinion on other matters prescribed by the Companies Act 2006

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

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 us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements 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 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

17 January 2013

Russell New Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2012

	<i>Note</i>	2012 £000	2011 £000
<u>Incoming resources</u>			
Incoming resources from generated funds			
Donations (parent charity)	2	2,169	2,629
Legacies (parent charity)		374	434
Legacies (RMHC)		298	283
Investment income			
Parent charity	3	351	358
RMHC		414	385
Other income		1	1
Total incoming resources		<u>3,607</u>	<u>4,090</u>
<u>Resources expended</u>			
Costs of generating funds			
Costs of generating voluntary income	5	149	141
Investment management costs (parent charity)		201	186
Investment management costs (RMHC)		38	37
		<u>388</u>	<u>364</u>
Net incoming resources available		<u>3,219</u>	<u>3,726</u>
Charitable activities			
Net patient costs	4,5	4,049	4,515
Patient care and support	5	440	410
Development	5	210	250
Research		484	430
		<u>5,183</u>	<u>5,605</u>
Governance costs			
Festival and donor records	5	116	109
Finance, support and management	5	157	231
RMHC		-	(5)
		<u>273</u>	<u>335</u>
Total resources expended		<u>5,844</u>	<u>6,304</u>
Net outgoing resources before other recognised gains/losses		(2,237)	(2,214)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2012
continued

		2012	2011
		£000	£000
Net outgoing resources brought forward		(2,237)	(2,214)
Gains/(losses) on investments	9		
Realised (parent charity)		766	977
Realised (RMHC)		364	645
Unrealised (parent charity)		1,982	(1,257)
Unrealised (RMHC)		1,274	(779)
		<u>4,386</u>	<u>(414)</u>
Net movement in funds		2,149	(2,628)
Funds at 1 October 2011		54,121	56,749
Funds at 30 September 2012	15	<u><u>56,270</u></u>	<u><u>54,121</u></u>

All activities are classified as continuing

SUMMARY INCOME AND EXPENDITURE ACCOUNT
as at 30 September 2012

Gross Income	3,607	4,090
Gain on disposal of investment assets held by income funds	<u>1,130</u>	<u>1,622</u>
Total Income	4,737	5,712
Total Expenditure from income funds	<u>5,844</u>	<u>6,304</u>
Net (expenditure) for the year	<u><u>(1,107)</u></u>	<u><u>(592)</u></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

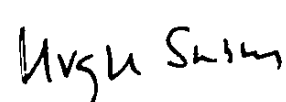
Net (expenditure) for the year	(1,107)	(592)
Unrealised gains/(losses) on investment assets held by income funds	<u>3,256</u>	<u>(2,036)</u>
	<u><u>2,149</u></u>	<u><u>(2,628)</u></u>

MASONIC SAMARITAN FUND - Company Number 6876310

CONSOLIDATED BALANCE SHEET
as at 30 September 2012

	<u>Note</u>	2012 £000	2011 £000
FIXED ASSETS AND INVESTMENTS			
Tangible assets	8	196	239
Investments	9a	56,211	53,109
		<u>56,407</u>	<u>53,348</u>
CURRENT ASSETS			
Debtors and prepayments	10	620	267
Cash		607	1,605
		<u>1,227</u>	<u>1,872</u>
CREDITORS			
Amounts falling due within one year	11	(1,364)	(1,099)
NET CURRENT ASSETS		<u>(137)</u>	<u>773</u>
NET ASSETS		<u><u>56,270</u></u>	<u><u>54,121</u></u>
FUNDS			
Accumulated Funds at 30 September 2012	15	<u><u>56,270</u></u>	<u><u>54,121</u></u>

Approved by the Board of Management on 17 January 2013 and signed on its behalf by

H W J. Stubbs *President*
 M R Heenan *Treasurer*

PARENT CHARITY BALANCE SHEET
as at 30 September 2012

	<i>Note</i>	2012 £000	2011
FIXED ASSETS AND INVESTMENTS			
Tangible assets	8	196	239
Investments	9b	42,959	41,517
		<u>43,155</u>	<u>41,756</u>
CURRENT ASSETS			
Debtors and prepayments	10	472	125
Cash		601	1,581
		<u>1,073</u>	<u>1,706</u>
CREDITORS			
Amounts falling due within one year	11	(1,364)	(1,099)
NET CURRENT ASSETS		<u>(291)</u>	<u>607</u>
NET ASSETS		<u><u>42,864</u></u>	<u><u>42,363</u></u>
FUNDS		<u><u>42,864</u></u>	<u><u>42,363</u></u>

Approved by the Board of Management on 17 January 2013 and signed on its behalf by.

 H W J. Stubbs *President*
M R Heenan *Treasurer*

Hugh Stubbs

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2012

	2012 £000	2011 £000
Reconciliation of excess of income over expenditure to net cash outflow from operating activities		
Changes in resources before revaluations	(1,107)	(592)
Investment income	(765)	(743)
Taxation recoverable on donations	(99)	(108)
Depreciation	43	52
Net (gain) on disposal of investment assets	(1,130)	(1,622)
(Increase)/decrease in debtors	(353)	868
Increase in creditors	265	458
Net cash (outflow) from operating activities	(3,146)	(1,687)
Returns on investments and servicing of finance		
Interest received	380	330
Dividends received	386	413
Net cash inflow from returns on investments	766	743
Taxation		
UK income tax reclaimed	99	108
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(1)	(5)
Payments to acquire investments	(23,376)	(20,603)
Receipts from sale of investments	24,660	21,731
Net cash inflow from capital expenditure	1,283	1,123
 (Decrease)/increase in cash in the year	 (998)	 287

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2012
continued

	2012	2011
	£000	£000
Reconciliation of net cash flow to movement in net cash balances		
(Decrease)/Increase in cash in the year	(998)	287
Opening balance	<u>1,605</u>	<u>1,318</u>
Net cash balances 30 September 2012	<u>607</u>	<u>1,605</u>
 Analysis of net debt		
<u>Cash at bank and in hand</u>		
Opening balance	1,605	1,318
Cash flow	<u>(998)</u>	<u>287</u>
At 30 September 2012	<u>607</u>	<u>1,605</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2012**

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

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 2012

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 2012

2. DONATIONS

Donations include amounts received in respect of future Festivals amounting to £1,499,000 (2011 £1,834,000)

3. INVESTMENT INCOME

	2012	2011
	£000	£000
Bank interest	23	9
Equities and unit trusts	116	363
Bonds	212	197
Property funds	-	26
	<u>351</u>	<u>595</u>

4. PATIENT COSTS

Medical costs	3,897	3,450
Grant to RMBI for patient hoists	175	-
Less petitioners' contributions	(23)	(28)
	<u>4,049</u>	<u>3,422</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2012

5. TOTAL RESOURCES EXPENDED

	Staff Costs	Depn	Other Costs	Total
	£	£	£	£
<u>Costs of generating funds</u>				
Voluntary income	44	2	103	149
Investment management costs	-	-	239	239
Total	44	2	342	388
<u>Charitable activities</u>				
<u>Net patient costs</u>				
Activities undertaken directly	-	-	4,049	4,049
Support Costs	-	-	-	-
Total	-	-	4,049	4,049
<u>Patient care and support</u>				
Activities undertaken directly	-	-	44	44
Support Costs	293	21	82	396
Total	293	21	126	440
<u>Development</u>				
Activities undertaken directly	-	1	65	66
Support Costs	104	8	32	144
Total	104	9	97	210
<u>Research</u>				
Activities undertaken directly	-	-	473	473
Support Costs	10	-	1	11
Total	10	-	474	484
	451	32	5,088	5,571
<u>Governance costs</u>				
Festival and donor records	80	5	31	116
Finance, support and management	121	5	31	157
	201	10	62	273
Total Resources Expended	652	42	5,150	5,844

Governance costs include payments to auditors of £13,000 (2011 £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 2012

	2012	2011
	£000	£000
6. STAFF COSTS		
Salaries	522	504
National Insurance costs	61	56
Pension costs	46	45
Life and healthcare insurance	21	19
Recruitment	1	4
	<u>651</u>	<u>628</u>

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

	2012	2011
	number	number
£100,001-£110,000	1	1
	<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 (2011 twelve)

Nine employees are accruing benefits under a money purchase pension scheme
Pension contributions for these staff amounted to £46,445 (2011 £44,599)

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 £5,288 (2011 £6,799) were paid to twelve (2011 fourteen) Trustees

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2012

7. RESULTS OF CONTROLLING CHARITY

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

	2012	2011
	£000	£000
Gross income	3,559	4,107
Gross expenditure	(5,806)	(6,303)
Realised gain on investments	766	977
Unrealised loss on investments	1,982	(1,257)
Surplus/(Deficit) for the year	<u>501</u>	<u>(2,476)</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 2011	356	12	40	13	16	437
Additions	-	-	1	-	-	1
Disposals	-	1	-	-	-	1
30 September 2012	<u>356</u>	<u>11</u>	<u>41</u>	<u>13</u>	<u>16</u>	<u>437</u>
Depreciation						
1 October 2011	129	7	37	12	13	198
Disposals	-	-	-	-	-	-
Charge for year	36	1	2	1	3	43
30 September 2012	<u>165</u>	<u>8</u>	<u>39</u>	<u>13</u>	<u>16</u>	<u>241</u>
Net book value						
30 September 2012	<u>191</u>	<u>3</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>196</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>

All assets are owned by the parent Charity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2012

9. INVESTMENTS	2012	2011
9a. Investments (consolidated)	£000	£000
Market value at start of year	49,540	45,312
Less unrealised appreciation	<u>(1,062)</u>	<u>(3,098)</u>
Cost at start of year	48,478	42,214
Additions at cost	23,096	26,373
Disposals at cost	<u>(23,530)</u>	<u>(20,109)</u>
Cost at end of year	48,044	48,478
Unrealised (depreciation)/appreciation	<u>4,318</u>	<u>1,062</u>
Market value at end of year	52,362	49,540
Add cash held for investment	<u>3,849</u>	<u>3,569</u>
	<u>56,211</u>	<u>53,109</u>
Investment assets in the UK	14,270	13,352
Investment assets outside the UK	<u>38,092</u>	<u>36,188</u>
	<u>52,362</u>	<u>49,540</u>

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

GAM MP Global Equity USD Reserved (7%)
GAM Star Global Quality USD Inst Acc (5%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2012

	2012	2011
	£000	£000
9b. Investments (Parent Charity)		
Market value 30 September 2011	38,238	34,246
Unrealised (appreciation)	111	(1,146)
Cost at start of year	38,349	33,100
Additions at cost	19,337	22,258
Disposals at cost	(19,715)	(17,009)
Cost at end of year	37,971	38,349
Unrealised (depreciation)/appreciation	1,871	(111)
Market value at end of year	39,842	38,238
Add cash held for investment	3,117	3,279
	<u>42,959</u>	<u>41,517</u>

10. DEBTORS AND PREPAYMENTS

	2012		2011	
	Consolidated	Parent Charity	Consolidated	Parent Charity
	£000	£000	£000	£000
Legacies	237	135	127	25
Income tax recoverable	8	8	10	10
Accrued income	70	24	79	39
Prepayments	11	11	40	40
Other debtors	294	294	11	11
	<u>620</u>	<u>472</u>	<u>267</u>	<u>125</u>

11. CREDITORS: DUE WITHIN ONE YEAR

Deferred income	-	-	6	6
Patient costs	729	729	696	696
Other creditors and accruals	618	618	379	379
Taxation and social security	17	17	18	18
	<u>1,364</u>	<u>1,364</u>	<u>1,099</u>	<u>1,099</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2012**

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

	2012	2011
	£000	£000
Balance 1 October 2011	669	562
Additional commitments entered into	4,187	5,116
Commitments met (gross)	(3,897)	(4,515)
Add back costs of mobility aids taken over from the Grand Charity	53	81
Adjustment for assistance offered but not taken up	(611)	(575)
Balance 30 September 2012	<u>401</u>	<u>669</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 £664,000 (2011: £690,000) 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 2012

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 Charity to the fund, and amounted to £46,445 (2011 £44,599) £6,279 (2011 £8,071) 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.