



Health and Care Support

Company number 6876310

Charity Number 1130424

Report and Consolidated Accounts

for the Year Ended 30 September 2013

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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 2012 to 30 September 2013

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 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

A Joint Medical Research Grants Committee, comprising Trustees of the Charity and of Freemasons' Grand Charity, meets when required to assess applications for research funding and make recommendations to the Board of Trustees.

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 £464,000 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 Brigadier W E. Shackell CBE, PPresRMBI,

President and Chairman of the Board of Trustees (appointed 24 April 2013)

V.W Bro H W J Stubbs, *President and Chairman of the Board of Trustees (retired 24 April 2013)*

W Bro M R Heenan BSc, FCA, PAGDC, *Treasurer and Deputy President*

R W Bro S Adcott ProvGM (Cheshire)

W Bro M D Childs CQSW, PAGDC

R W Bro J K Clayton FRCOG, ProvGM (Yorkshire, West Riding)
(retired 10 July 2013)

W Bro. C A G Cunningham B D S DGDP (RCS Eng) PPGSupWks
(appointed 15 October 2013)

Bro J-P Da Costa *(appointed 27 November 2013)*

W Bro O Davison MB, BS, FRCS, SLGR, PProvGReg

W Bro J Dennison MB, FRCP, SLGR

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

W Bro Dr S Fellerman MB, ChB, DRCOG PrGStwd

Mrs Katharine Fender SRN, Dip N, BSc

W Bro A J R Flook LGR

W Bro R J. Harker MA, FRCS *(appointed 19 March 2013)*

R W Bro N E Heaviside ProvGM (Durham)

W Bro C L Kennedy MB BS, FRCS, LGR, PAGDC *(retired 31 December 2013)*

W Bro R Killingbeck FSI

Bro G Leggatt-Chidgey FRSA, FCMI, MIOD *(appointed 11 November 2013)*

W Bro D Nunn MB, BS, LRCP MRCS, FRCS, FRCSEdOrth, SLGR PAGDC
(retired 31 March 2013)

Bro Dr. O. B O'Toole MB, ChB, DRCOG, FRCGP *(retired 31 March 2013)*

Bro M R Perkins BDS MSc(Perio) MClinDent(Perio) MFD RCSI MRD RCSEd
(appointed 11 October 2013)

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

W Bro H I Sabin BMSc, MB, ChB, FRCS(Ed), FRCS(Eng), JGD, PGStwd, MetGInsp

W Bro G. M Sisson CPFA, PAGDC

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

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
Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

Bankers

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

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 Conduct 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 Beneficiaries of the Charity are Freemasons, the wives (or widows as the case may be) or the children or Dependants or Partners of Freemasons or deceased Freemasons. 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, and by commissioning research which is anticipated to offer benefits to Beneficiaries.

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 (or overseas equivalent) 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 approximately 200,000 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 2013:

- *to implement a scheme to offer assistance in cases of mental ill-health, the MSF Counselling Careline began operation in January 2013. In the period to 30 September, 151 applicants have accessed the service.*
- *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, efforts to publicise the help available from the Charity have continued and the use of electronic distribution and social media has been greatly increased. The number of beneficiaries helped has risen by some 24% compared with 2012, though the increase was predominantly in smaller-value grants, so that the effect on expenditure was minimal.*
- *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 staff and systems which are in place are considered adequate to meet the expected demand.*

- *to continue to work closely with the other Masonic Charities to identify appropriate joint initiatives for the benefit of all eligible beneficiaries, work continues towards further rationalisation and centralisation of the activities of the charities where appropriate*
- *to consider funding one or more appropriate research projects, eight grants were awarded during the year at a total cost of £455,000*

FINANCIAL REVIEW

Fundraising

The Cornwall Festival reached its conclusion in October 2013. The declared Festival total was a splendid £1.88 million, of which £1.39 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.

The Charity's income from donations and legacies has remained at a similar level to the previous year. While the Charity's financial position remains very strong, the reduced level of income compared with earlier years is a matter of some concern. It is however impressive that Brethren have continued to give so generously at a time of continuing economic difficulty. 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 £3.94 million (2012: £4.19 million) in support of 1,211 (2012: 974) applications. The figure of £3.91 million shown at Note 4 represents the actual expenditure after deducting applicants' contributions and adjusting for cases where funding was not taken up. As described at Note 4, grants are now accounted for when they are approved. This has had the effect of bringing forward expenditure, so that the £3.91 million represents approximately thirteen months' expenditure. This is a one-off effect which will not recur.

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 (£60.33m) significantly exceed that level. During the year, the Charity's expenditure exceeded its income by £1.57m. However the investments continued to perform well, and contributed £5.63m in realised and unrealised gains, bringing the overall surplus for the year to £4.06m. 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. After adjusting for the effect of the change in accounting policy, expenditure on individual grants was below the level of the previous year. The Trustees continue to believe that, in view of the cuts in NHS and Local Authority provision, demand for the Charity's assistance will grow in future years. Consideration will be given to extending the range of assistance offered, and the Trustees will continue 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 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 Policy is reviewed at least annually by the Investments Committee in consultation with the Investment Managers.

The portfolio managed by Hargreave Hale has continued to perform well, while the Fulcrum portfolio's performance has shown a welcome improvement. During the year, the portfolio previously managed by GAM was liquidated and the funds transferred to Sarasin. It is as yet too early to form a view of the performance of Sarasin. 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. Because Fulcrum and Sarasin 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 2013:

- to consider further expansion of the range of assistance offered,
- 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, when adjusted for the change in accounting treatment, is below that of the previous year. We had expected to see greater demand for our assistance in view of the continuing strains on public sector health and social care provision, and we anticipate that demand will increase in the future. The Charity's finances remain robust, and we are well placed to meet any increased demands.

During the year, the MSF Counselling Careline has been successfully implemented, and the Trustees will continue to consider further widening of the areas in which the Charity offers support. We also continue to strive to publicise the Charity's work: several editions of an email newsletter have been produced in addition to two well-received editions of the paper newsletter. An Eligibility Calculator has been added to the MSF web site, which enables potential applicants to obtain an initial assessment of their eligibility for MSF's assistance. 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. Discussions with the other Charities are continuing with a view to even greater co-operation and better use of resources. Following an agreement that the Charities will move to a common accounting year-end date of 31 March, the Trustees have resolved that the Charity's next accounting period will be the eighteen months ending 31 March 2015.

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.

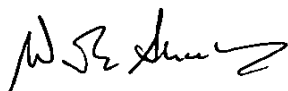
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets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



W. E. Shackell
President

16 January 2014

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 2013 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

MASONIC SAMARITAN FUND

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 2013 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

16 January 2014

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 2013

	<i>Note</i>	2013 £000	2012 £000
<u>Incoming resources</u>			
Incoming resources from generated funds			
Donations (parent charity)	2	2,159	2,169
Legacies (parent charity)		1,215	374
Legacies (RMHC)		141	298
Investment income			
Parent charity	3	335	351
RMHC		397	414
Other income		1	1
Total incoming resources		<u>4,248</u>	<u>3,607</u>
<u>Resources expended</u>			
Costs of generating funds			
Costs of generating voluntary income	5	163	149
Investment management costs (parent charity)		192	201
Investment management costs (RMHC)		45	38
		<u>400</u>	<u>388</u>
Net incoming resources available		<u>3,848</u>	<u>3,219</u>
Charitable activities			
Assistance to Beneficiaries	4,5	4,355	4,489
Awareness	5	244	210
Research	5	475	484
		<u>5,074</u>	<u>5,183</u>
Governance costs			
Festival and donor records	5	119	116
Governance and administration	5	222	157
		<u>341</u>	<u>273</u>
Total resources expended		<u>5,815</u>	<u>5,844</u>
Net outgoing resources before other recognised gains/losses		(1,567)	(2,237)

MASONIC SAMARITAN FUND - Company Number 6876310

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 30 September 2013
continued

		2013 £000	2012 £000
Net outgoing resources brought forward		(1,567)	(2,237)
Gains/(losses) on investments	9		
Realised (parent charity)		4,317	766
Realised (RMHC)		799	364
Unrealised (parent charity)		(485)	1,982
Unrealised (RMHC)		1,000	1,274
		<u>5,631</u>	<u>4,386</u>
Net movement in funds		4,064	2,149
Funds at 1 October 2012		56,270	54,121
Funds at 30 September 2013	14	<u><u>60,334</u></u>	<u><u>56,270</u></u>

All activities are classified as continuing

SUMMARY INCOME AND EXPENDITURE ACCOUNT
as at 30 September 2013

Gross Income	4,248	3,607
Gain on disposal of investment assets held by income funds	5,116	1,130
Total Income	9,364	4,737
Total Expenditure from income funds	5,815	5,844
Net income/(expenditure) for the year	<u><u>3,549</u></u>	<u><u>(1,107)</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 25, provides full information on the movements during the year on all funds of the charity

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net income/(expenditure) for the year	3,549	(1,107)
Unrealised gains on investment assets held by income funds	515	3,256
	<u><u>4,064</u></u>	<u><u>2,149</u></u>

MASONIC SAMARITAN FUND - Company Number 6876310

CONSOLIDATED BALANCE SHEET
as at 30 September 2013

	<i>Note</i>	2013 £000	2012 £000
FIXED ASSETS AND INVESTMENTS			
Tangible assets	8	157	196
Investments	9a	60,443	56,211
		<u>60,600</u>	<u>56,407</u>
CURRENT ASSETS			
Debtors and prepayments	10	678	620
Cash		642	607
		<u>1,320</u>	<u>1,227</u>
CREDITORS			
Amounts falling due within one year	11	(1,586)	(1,364)
NET CURRENT ASSETS		<u>(266)</u>	<u>(137)</u>
NET ASSETS		<u><u>60,334</u></u>	<u><u>56,270</u></u>
FUNDS			
Accumulated Funds at 30 September 2013	14	<u><u>60,334</u></u>	<u><u>56,270</u></u>

Approved by the Board of Management on 16 January 2014 and signed on its behalf by




W E Shackell
M R Heenan

President
Treasurer

MASONIC SAMARITAN FUND - Company Number 6876310

PARENT CHARITY BALANCE SHEET
as at 30 September 2013

	<i>Note</i>	2013 £000	2012
FIXED ASSETS AND INVESTMENTS			
Tangible assets	8	157	196
Investments	9b	45,382	42,959
		<u>45,539</u>	<u>43,155</u>
CURRENT ASSETS			
Debtors and prepayments	10	522	472
Cash		625	601
		<u>1,147</u>	<u>1,073</u>
CREDITORS			
Amounts falling due within one year	11	(1,586)	(1,364)
NET CURRENT ASSETS			
		<u>(439)</u>	<u>(291)</u>
NET ASSETS			
		<u><u>45,100</u></u>	<u><u>42,864</u></u>
FUNDS			
		<u><u>45,100</u></u>	<u><u>42,864</u></u>

Approved by the Board of Management on 16 January 2014 and signed on its behalf by




W E Shackell *President*
M R Heenan *Treasurer*

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2013

	2013 £000	2012 £000
Reconciliation of excess of income over expenditure to net cash outflow from operating activities		
Changes in resources before revaluations	3,549	(1,107)
Investment income	(732)	(765)
Taxation recoverable on donations	(131)	(99)
Depreciation	40	43
Net (gain) on disposal of investment assets	(5,116)	(1,130)
Decrease/(increase) in debtors	(58)	(353)
Increase in creditors	222	265
Net cash (outflow) from operating activities	(2,226)	(3,146)
Returns on investments and servicing of finance		
Interest received	246	380
Dividends received	486	386
Net cash inflow from returns on investments	732	766
Taxation		
UK income tax reclaimed	131	99
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	-	(1)
Payments to acquire investments	(58,860)	(23,376)
Receipts from sale of investments	60,258	24,660
Net cash inflow from capital expenditure	1,398	1,283
 Increase/(decrease) in cash in the year	 35	 (998)

MASONIC SAMARITAN FUND - Company Number 6876310

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 September 2013
continued

	2013	2012
	£000	£000
Reconciliation of net cash flow to movement in net cash balances		
Increase/(decrease) in cash in the year	35	(998)
Opening balance	607	1,605
Net cash balances 30 September 2013	<u>642</u>	<u>607</u>
 Analysis of net debt		
<u>Cash at bank and in hand</u>		
Opening balance	607	1,605
Cash flow	35	(998)
At 30 September 2013	<u>642</u>	<u>607</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2013**

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 2013

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 2013**

2. DONATIONS

Donations include amounts received in respect of future Festivals amounting to £1,650,000 (2012 £1,499,000)

3. INVESTMENT INCOME

	2013	2012
	£000	£000
Bank interest	16	23
Equities and unit trusts	220	116
Bonds	99	212
	<u>335</u>	<u>351</u>

4. GRANTS (OTHER THAN RESEARCH)

Grants for Beneficiaries	3,937	3,897
Grant to RMBI for patient hoists	-	175
Less applicants' contributions	<u>(30)</u>	<u>(23)</u>
	<u>3,907</u>	<u>4,049</u>

In previous years, grants for Beneficiaries were accounted for on the date when the treatment or assistance began. At 30 September 2012, the amount committed but not accounted for was £401,000. From 1 October 2013, grants have been accounted for when awarded, which is considered a more appropriate treatment, and there is therefore no equivalent balance at 30 September 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2013

5. TOTAL RESOURCES EXPENDED

	Staff Costs £000	Depn £000	Other Costs £000	Total £000
<u>Costs of generating funds</u>				
Voluntary income	55	3	105	163
Investment management costs	-	-	237	237
Total	55	3	342	400

Charitable activities

Assistance to Beneficiaries

Grants	-	-	3,907	3,907
Care advice team	-	-	112	112
Support Costs	241	18	77	336
Total	241	18	4,096	4,355

Awareness

Activities undertaken directly	-	1	102	103
Support Costs	101	6	34	141
Total	101	7	136	244

Research

Activities undertaken directly	-	-	455	455
Support Costs	17	1	2	20
Total	17	1	457	475

Charitable activities total	359	26	4,689	5,074
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Governance costs

Festival and donor records	84	5	30	119
Governance and administration	171	6	45	222
	255	11	75	341

Total Resources Expended	669	40	5,106	5,815
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Governance costs include payments to auditors of £14,000 (2012 £13,000) 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 2013

	2013	2012
	£000	£000
6. STAFF COSTS		
Salaries	486	522
National Insurance costs	56	61
Pension costs	94	46
Life and healthcare insurance	19	21
Recruitment	4	1
Redundancy payment	10	-
	<u>669</u>	<u>651</u>

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

	2013	2012
	number	number
£95,001-£100,000	1	-
£100,001-£110,000	-	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 thirteen (2012 twelve)

Nine employees are accruing benefits under a money purchase pension scheme
Pension contributions for these staff amounted to £93,707 (2012 £46,445)

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 £4,435 (2012 £5,288) were paid to twelve (2012 twelve) Trustees

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2013

7. RESULTS OF CONTROLLING CHARITY

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

	2013	2012
	£000	£000
Gross income	4,174	3,559
Gross expenditure	(5,770)	(5,806)
Realised gain on investments	4,317	766
Unrealised (loss)/gain on investments	(485)	1,982
Surplus for the year	<u>2,236</u>	<u>501</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 2012	356	11	41	13	16	437
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	(16)	(16)
30 September 2013	<u>356</u>	<u>11</u>	<u>41</u>	<u>13</u>	<u>-</u>	<u>421</u>
Depreciation						
1 October 2012	165	8	39	13	16	241
Disposals	-	-	-	-	(16)	(16)
Charge for year	35	3	1	-	-	39
30 September 2013	<u>200</u>	<u>11</u>	<u>40</u>	<u>13</u>	<u>-</u>	<u>264</u>
Net book value						
30 September 2013	<u>156</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>157</u>
Net book value						
30 September 2012	<u>191</u>	<u>3</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>196</u>

All assets are owned by the parent Charity

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2013

9. INVESTMENTS	2013	2012
9a. Investments (consolidated)	£000	£000
Market value at start of year	52,362	49,540
Less unrealised appreciation	<u>(4,318)</u>	<u>(1,062)</u>
Cost at start of year	48,044	48,478
Additions at cost	56,634	23,096
Disposals at cost	<u>(55,142)</u>	<u>(23,530)</u>
Cost at end of year	49,536	48,044
Unrealised (depreciation)/appreciation	<u>4,833</u>	<u>4,318</u>
Market value at end of year	54,369	52,362
Add cash held for investment	<u>6,074</u>	<u>3,849</u>
	<u>60,443</u>	<u>56,211</u>
Investment assets in the UK	16,510	14,270
Investment assets outside the UK	<u>37,859</u>	<u>38,092</u>
	<u>54,369</u>	<u>52,362</u>

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

Sarasin Equisar GlobalThematic Income (37%)

	2013	2012
9b. Investments (Parent Charity)	£000	£000
Market value at start of year	39,842	38,238
Unrealised (appreciation)/depreciation	<u>(1,871)</u>	<u>111</u>
Cost at start of year	37,971	38,349
Additions at cost	52,810	19,337
Disposals at cost	<u>(51,527)</u>	<u>(19,715)</u>
Cost at end of year	39,254	37,971
Unrealised (depreciation)/appreciation	<u>1,386</u>	<u>1,871</u>
Market value at end of year	<u>40,640</u>	<u>39,842</u>
Add cash held for investment	4,742	3,117
	<u>45,382</u>	<u>42,959</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2013

10. DEBTORS AND PREPAYMENTS

	2013		2012	
	Consolidated	Parent	Consolidated	Parent
		Charity		Charity
	£000	£000	£000	£000
Legacies	580	467	237	135
Income tax recoverable	11	11	8	8
Accrued income	76	33	70	24
Prepayments	7	7	11	11
Other debtors	4	4	294	294
	<u>678</u>	<u>522</u>	<u>620</u>	<u>472</u>

11. CREDITORS: DUE WITHIN ONE YEAR

Grant to individuals	1,025	1,025	729	729
Other creditors and accruals	546	546	618	618
Taxation and social security	15	15	17	17
	<u>1,586</u>	<u>1,586</u>	<u>1,364</u>	<u>1,364</u>

12. OPERATING LEASE COMMITMENTS

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

13. 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 £464,000 (2012 £664,000) 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

14. FUNDS

All funds are unrestricted

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2013**

15. 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 £93,707 (2012 £46,445). £7,556 (2012 £6,279) was outstanding at the year end.

16. 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.