



Health and Care Support

Company number 6876310

Charity Number 1130424

**Report and Consolidated Accounts
for the Eighteen Months Ended 31 March 2015**

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COMPANIES HOUSE

MASONIC SAMARITAN FUND

Company Number 6876310; Charity Number 1130424

REPORT OF THE BOARD OF TRUSTEES **(incorporating the Strategic Report)**

The Trustees are pleased to present the annual report and financial statements, which cover the eighteen months from 1 October 2013 to 31 March 2015. The accounting reference date was changed to 31 March as part of the move towards closer working with the other central Masonic Charities. Comparative figures relate to the twelve months ended 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 the 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 was 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 significant legacy income. On 1 July 2015 the investment portfolio of RMHC was transferred to MSF as a grant. Together with legacy income, the total grant from RMHC to MSF in the period was £16,350,000. 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 period 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 (retired 11 March 2014)*

R.W. Bro. Sir David Wootton, P3rdGPrin, *Assistant Grand Master (appointed 12 March 2014)*

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

R.W. Bro. Brigadier W. E. Shackell CBE, PJGW

President and Chairman of the Board of Trustees

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

R. W. Bro. S. Adcott ProvGM (Cheshire)

W. Bro. M.D. Childs CQSW, PAGDC *(retired 16 January 2014)*

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

W. Bro. C. Cunningham BDS, DGDPRCS (Eng), JGD *(appointed 15 October 2013)*

W. Bro. O. Davison MB BS FRCS SLGR PPrJGW (Northants and Hunts)

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 PPDepGDC

Mrs Katharine Fender SRN, Dip N, BSc

W. Bro. A. J. R. Flook PAGDC

W. Bro. R. J. Harker MA, FRCS, Met Grand Pursuivant

R. W. Bro. N. E. Heaviside ProvGM (Durham)

W. Bro R. Killingbeck FSI *(retired 31 March 2014)*

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

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

R.W. Bro. J.G.R. Rudd DL, FCA, FCMI, ProvGM (Derbyshire)
(retired 5 September 2014)

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

W. Bro. G. M. Sisson CPFA, PAGDC (retired 5 September 2014)

W. Bro. M. R. Spencer (appointed 1 June 2014)

W. Bro. M.B. Squires FCA, FCCA, FTII, ATT, PJGD

Chief Executive

R. Douglas BEd (Oxon)

Advisors

The Charity's advisors during the period 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
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

Solicitors

Bond Dickinson 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 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 applicant 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 the confidentiality of applicants.
- 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, originally for the year ending 30 September 2014:

- *to consider further expansion of the range of assistance offered;* in view of the proposed changes to the structure of the Masonic charities, it was not felt appropriate to consider further expansion of the range of assistance during the period.
- *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 using both traditional and modern means of communication.

- *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;* Trustees and staff have worked hard during the period towards the bringing together of the Masonic Charities, as described elsewhere in this Report.
- *to consider funding one or more appropriate research projects;* ten grants were awarded during the period at a total cost of £525,000.

FINANCIAL REVIEW

Fundraising

The Derbyshire Festival reached its conclusion in September 2014. The declared Festival total was a splendid £2.41 million, of which £2.10 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.

It should be borne in mind when reading the following remarks that the period under review lasted for eighteen months, while the comparative figures relate to a twelve-month period.

The Charity's income from donations and legacies has remained at a similar level to the previous period, while legacy income was somewhat lower; legacy income is by its nature variable. It is 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 period, and to those whose fundraising efforts are continuing.

Charitable Expenditure

During the period the Grants Committee approved grants totalling £6.45 million (2013: £3.94 million) in support of 1,976 (2013: 1,211) applications. The figure of £5.68 million shown at Note 4 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 (£65.77m) significantly exceed that level.

The Charity's expenditure for the period exceeded its income by £2.47m. However the investments continued to perform well, and contributed £7.90m in realised and unrealised gains, producing an overall surplus for the period to £5.43m. 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. They 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. They 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 demand. 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, as has that managed by Sarasin, after a slow start. The Fulcrum portfolio, which is invested cautiously to minimise any losses, has also performed reasonably well. 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. Investment income has shown a welcome improvement, mainly because the Sarasin portfolio has begun to generate significant dividend income

FUTURE OBJECTIVES

The Board of Trustees has set the following objectives for the year commencing 1 April 2015:

- to continue to work towards the coming together of the four central Masonic Charities, as described elsewhere in this Report;
- to continue to increase awareness of the work of the charity and thereby increase charitable expenditure;
- to ensure that appropriate resources and systems are in place to meet the anticipated demand whilst maintaining the quality of support to all eligible beneficiaries;
- to consider funding one or more appropriate research projects.

PRESIDENT'S REVIEW

Charitable expenditure during the period under review has remained at broadly similar levels to the previous period. 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 though the effect may be mitigated by the continuing fall in masonic numbers, and thus of eligible beneficiaries. The Charity's finances remain robust, and we are well placed to meet any increased demands.

During the period, the MSF Counselling Careline has been well used and has received high approval ratings. The on-line Eligibility Calculator continues to assist potential applicants. 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. 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, and our hope that the planned restructuring will enable a simpler and clearer message to be delivered to potential beneficiaries.

Much time and effort has been expended in planning the future of MSF and of the other central Masonic Charities, namely the Freemasons' Grand Charity (charity number 281942), The Royal Masonic Benevolent Institution (charity number 207360) and the Royal Masonic Trust for Girls and Boys (charity number 285836). It is intended to set up an overarching fifth Charity (working name: United Masonic Charity (UMC)) to take over the work of all four existing Charities. UMC will have widely drawn objects, which will enable it to direct resources to where they are most needed. There may also be some cost savings in the longer term. Festivals in support of the existing Charities which are planned or already running will continue to raise funds for those charities, but new Festivals will be in support of UMC.

MSF's assets can only be used to fulfil MSF's Objects, and a Memorandum of Understanding between the Trustees of the existing Charities and the Board of UMC is under discussion, with the aim of ensuring that the work of the existing Charities is fully continued.

In governance terms, it is proposed that UMC will become the sole Member of MSF, and that UMC, as a corporate Trustee, plus one individual, will be the Trustees. Existing Members will be invited to pass the resolutions necessary to implement these proposals at a General Meeting in October 2015, and it is hoped that UMC will be operational with effect from 1 April 2016.

The Trustees of MSF are firmly of the opinion that these changes are in the best of interests of the Beneficiaries of MSF, and of Masonic charity in general.

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.

APPROVAL BY TRUSTEES

This report, including the Strategic Report, was approved by the Trustees on 10 September 2015 and signed on their behalf by



W. E. Shackell
President

10 September 2015

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 period ended 31 March 2015 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 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the period 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 period 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

10 September 2015

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the eighteen months ended 31 March 2015

	<u>Note</u>	18 months 2015 £000	Year 2013 £000
<u>Incoming resources</u>			
Incoming resources from generated funds			
Donations (parent charity)	2	3,011	2,159
Legacies (parent charity)		1,226	1,215
Legacies (RMHC)		371	141
Investment income			
Parent charity	3	986	335
RMHC		333	397
Other income		-	1
Total incoming resources		<u>5,927</u>	<u>4,248</u>
<u>Resources expended</u>			
Costs of generating funds			
Costs of generating voluntary income	5	214	163
Investment management costs (parent charity)		471	192
Investment management costs (RMHC)		26	45
		<u>711</u>	<u>400</u>
Net incoming resources available		<u>5,216</u>	<u>3,848</u>
Charitable activities			
Assistance to Beneficiaries	4,5	6,323	4,355
Awareness	5	267	244
Research		525	475
		<u>7,115</u>	<u>5,074</u>
Governance costs			
Festival and donor records	5	165	119
Governance and administration	5	404	222
		<u>569</u>	<u>341</u>
Total resources expended		<u>8,395</u>	<u>5,815</u>
Net outgoing resources before other recognised gains/losses		(2,468)	(1,567)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
for the eighteen months ended 31 March 2015
continued

	18 months 2015 £000	Year 2013 £000
Net outgoing resources brought forward	(2,468)	(1,567)
Gains/(losses) on investments 9		
Realised (parent charity)	1,828	4,317
Realised (RMHC)	531	799
Unrealised (parent charity)	5,540	(485)
Unrealised (RMHC)	-	1,000
	<u>7,899</u>	<u>5,631</u>
Net movement in funds	5,431	4,064
Funds at 1 October 2013	60,334	56,270
Funds at 31 March 2015	<u><u>65,765</u></u>	<u><u>60,334</u></u>

All activities are classified as continuing. All funds are unrestricted.

SUMMARY INCOME AND EXPENDITURE ACCOUNT
for the eighteen months ended 31 March 2015

Gross Income	5,927	4,248
Gain on disposal of investment assets held by income funds	<u>2,359</u>	<u>5,116</u>
Total Income	8,286	9,364
Total Expenditure from income funds	<u>8,395</u>	<u>5,815</u>
Net (expenditure)/income for the period	<u><u>(109)</u></u>	<u><u>3,549</u></u>

The summary income and expenditure account is derived from the statement of financial activities on page 12 which, together with the notes on pages 18 to 26, provides full information on the movements during the period on all funds of the charity.

STATEMENT OF RECOGNISED GAINS AND LOSSES

Net (expenditure)/income for the period	(109)	3,549
Unrealised gains/(losses) on investment assets held by income funds	<u>5,540</u>	<u>515</u>
	<u><u>5,431</u></u>	<u><u>4,064</u></u>

CONSOLIDATED BALANCE SHEET
as at 31 March 2015

		18 months 2015 £000	Year 2013 £000
	<i>Note</i>		
FIXED ASSETS AND INVESTMENTS			
Tangible assets	8	103	157
Investments	9a	66,383	60,443
		<u>66,486</u>	<u>60,600</u>
CURRENT ASSETS			
Debtors and prepayments	10	347	678
Cash		403	642
		<u>750</u>	<u>1,320</u>
CREDITORS			
Amounts falling due within one year	11	(1,471)	(1,586)
		<u>(721)</u>	<u>(266)</u>
NET CURRENT LIABILITIES			
NET ASSETS		<u>65,765</u>	<u>60,334</u>
FUNDS			
Accumulated Funds at 31 March 2015		<u>65,765</u>	<u>60,334</u>

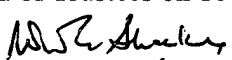
Approved by the Board of Trustees on 10 September 2015 and signed on its behalf by:

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

PARENT CHARITY BALANCE SHEET
for the eighteen months ended 31 March 2015

	<i>Note</i>	18 months 2015 £000	Year 2013 £000
FIXED ASSETS AND INVESTMENTS			
Tangible assets	8	103	157
Investments	9b	66,383	45,382
		<u>66,486</u>	<u>45,539</u>
CURRENT ASSETS			
Debtors and prepayments	10	262	522
Cash		395	625
		<u>657</u>	<u>1,147</u>
CREDITORS			
Amounts falling due within one year	11	(1,471)	(1,586)
		<u>(814)</u>	<u>(439)</u>
NET CURRENT LIABILITIES			
		<u>(814)</u>	<u>(439)</u>
NET ASSETS			
		<u>65,672</u>	<u>45,100</u>
FUNDS			
		<u>65,672</u>	<u>45,100</u>

Approved by the Board of Trustees on 10 September 2015 and signed on its behalf by:




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

CONSOLIDATED CASH FLOW STATEMENT
for the eighteen months ended 31 March 2015

	18 months 2015 £000	Year 2013 £000
Reconciliation of excess of income over expenditure to net cash outflow from operating activities		
Changes in resources before revaluations	(109)	3,549
Investment income	(1,319)	(732)
Taxation recoverable on donations	(198)	(131)
Depreciation	54	40
Net (gain) on disposal of investment assets	(2,359)	(5,116)
Decrease/(increase) in debtors	331	(58)
(Decrease)/increase in creditors	(115)	222
Net cash (outflow) from operating activities	<u>(3,715)</u>	<u>(2,226)</u>
Returns on investments and servicing of finance		
Interest received	222	246
Dividends received	1,097	486
Net cash inflow from returns on investments	<u>1,319</u>	<u>732</u>
Taxation		
UK income tax reclaimed	<u>198</u>	<u>131</u>
Capital expenditure and financial investment		
Payments to acquire investments	(23,301)	(58,860)
Receipts from sale of investments	25,260	60,258
Net cash inflow from capital expenditure	<u>1,959</u>	<u>1,398</u>
 (Decrease)/increase in cash in the year	 <u>(239)</u>	 <u>35</u>

CONSOLIDATED CASH FLOW STATEMENT
for the eighteen months ended 31 March 2015

continued

	18 months	Year
	2015	2013
	£000	£000
Reconciliation of net cash flow to movement in net cash balances		
(Decrease)/increase in cash in the year	(239)	35
Opening balance	642	607
Net cash balances 31 March 2015	<u>403</u>	<u>642</u>
 Analysis of net debt		
<u>Cash at bank and in hand</u>		
Opening balance	642	607
Cash flow	(239)	35
At 31 March 2015	<u>403</u>	<u>642</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the eighteen months ended 31 March 2015**

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 eighteen months ended 31 March 2015

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 period in which they are payable to the scheme. Differences between contributions payable and contributions actually paid in the period are shown as an asset or liability in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the eighteen months ended 31 March 2015

2. DONATIONS

Donations include amounts received in respect of future Festivals totalling £1,519,000 (2013: £1,650,000).

3. INVESTMENT INCOME	18 months	Year
	2015	2013
	£000	£000
Bank interest	9	16
Equities and unit trusts	812	220
Bonds	165	99
	<u>986</u>	<u>335</u>

4. GRANTS (OTHER THAN RESEARCH)

Grants for Beneficiaries	5,734	3,937
Less: applicants' contributions	<u>(56)</u>	<u>(30)</u>
	<u>5,678</u>	<u>3,907</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the eighteen months ended 31 March 2015

5. TOTAL RESOURCES EXPENDED

	2015 (18 months)				Year 2013
	Staff Costs £000	Depn £000	Other Costs £000	Total £000	Total £000
<u>Costs of generating funds</u>					
Voluntary income	77	4	133	214	163
Investment management costs	-	-	497	497	237
Total	77	4	630	711	400
<u>Charitable activities</u>					
<u>Assistance to Beneficiaries</u>					
Grants	-	-	5,678	5,678	3,907
Care advice team	-	-	143	143	112
Support Costs	368	27	107	502	336
Total	368	27	5,928	6,323	4,355
<u>Awareness</u>					
Activities undertaken directly	-	-	149	149	103
Support Costs	86	4	28	118	141
Total	86	4	177	267	244
<u>Research</u>					
Activities undertaken directly	-	-	495	495	455
Support Costs	26	1	3	30	20
Total	26	1	498	525	475
Charitable activities total	480	32	6,603	7,115	5,074
<u>Governance costs</u>					
Festival and donor records	120	7	38	165	119
Governance and administration	294	10	100	404	222
	414	17	138	569	341
Total Resources Expended	971	53	7,371	8,395	5,815

Governance costs include payments to auditors of £14,000 (2013: £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
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	18 months	Year
	2015	2013
	£000	£000
6. STAFF COSTS		
Salaries	726	486
National Insurance costs	78	56
Pension costs	138	94
Life and healthcare insurance	29	19
Recruitment	-	4
Redundancy payment	-	10
	<u>971</u>	<u>669</u>

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

	18 months	Year
	2015	2013
	number	number
£95,001-£100,000	<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 (2013: thirteen).

Nine employees are accruing benefits under a money purchase pension scheme. Pension contributions for these staff amounted to £137,892 (2013: £93,707).

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 eighteen-month period, travel expenses totalling £7,503 (2013: £4,435) were paid to thirteen (2013: twelve) Trustees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the eighteen months ended 31 March 2015

7. RESULTS OF CONTROLLING CHARITY

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

	18 months	Year
	2015	2013
	£000	£000
Gross income	21,565	4,174
Gross expenditure	(24,043)	(5,770)
Realised gain on investments	1,828	4,317
Unrealised loss on investments	5,540	(485)
Surplus for the year	<u>4,890</u>	<u>2,236</u>

8. TANGIBLE ASSETS

	Office refurbishment	Machinery and office equipment	Furniture fixtures & fittings	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost					
1 October 2013	356	11	41	13	421
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
31 March 2015	<u>356</u>	<u>11</u>	<u>41</u>	<u>13</u>	<u>421</u>
Depreciation					
1 October 2013	200	11	40	13	264
Disposals	-	-	-	-	-
Charge for period	54	-	-	-	54
31 March 2015	<u>254</u>	<u>11</u>	<u>40</u>	<u>13</u>	<u>318</u>
Net book value					
31 March 2015	<u>156</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>157</u>
Net book value					
30 September 2013	<u>102</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>103</u>

All assets are owned by the parent Charity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the eighteen months ended 31 March 2015

	18 months	year
	2015	2013
9. INVESTMENTS	£000	£000
9a. Investments (consolidated)		
Market value at start of year	54,369	52,362
Less: unrealised appreciation	<u>(4,833)</u>	<u>(4,318)</u>
Cost at start of year	49,536	48,044
Additions at cost	22,993	56,634
Disposals at cost	<u>(19,454)</u>	<u>(55,142)</u>
Cost at end of year	53,075	49,536
Unrealised (depreciation)/appreciation	<u>6,926</u>	<u>4,833</u>
Market value at end of year	60,001	54,369
Add: cash held for investment	<u>6,382</u>	<u>6,074</u>
	<u>66,383</u>	<u>60,443</u>
Investment assets in the UK	19,868	16,510
Investment assets outside the UK	<u>40,133</u>	<u>37,859</u>
	<u>60,001</u>	<u>54,369</u>

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

Sarasin Equisar Global Thematic I Inc (37%)

9b. Investments (Parent Charity)		
Market value at start of year	40,640	39,842
Unrealised (appreciation)/depreciation	<u>(1,386)</u>	<u>(1,871)</u>
Cost at start of year	39,254	37,971
Transferred in from RMHC	10,763	-
Additions at cost	21,249	52,810
Disposals at cost	<u>(18,191)</u>	<u>(51,527)</u>
Cost at end of year	53,075	39,254
Unrealised (depreciation)/appreciation	<u>6,926</u>	<u>1,386</u>
Market value at end of year	<u>60,001</u>	<u>40,640</u>
Add: cash held for investment	<u>6,382</u>	<u>4,742</u>
	<u>66,383</u>	<u>45,382</u>

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	18 months		year	
	2015		2013	
	Consolidated	Parent Charity	Consolidated	Parent Charity
	£000	£000	£000	£000
10. DEBTORS AND PREPAYMENTS				
Legacies	204	119	580	467
Income tax recoverable	11	11	11	11
Accrued income	87	87	76	33
Prepayments	13	13	7	7
Other debtors	32	32	4	4
	<u>347</u>	<u>262</u>	<u>678</u>	<u>522</u>
11. CREDITORS: DUE WITHIN ONE YEAR				
Grants to individuals	1,043	1,043	1,025	1,025
Other creditors and accruals	412	412	546	546
Taxation and social security	16	16	15	15
	<u>1,471</u>	<u>1,471</u>	<u>1,586</u>	<u>1,586</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 period grants totalling £16,350,000 (2013: £464,000) were made by RMHC to the Charity. The bulk of the grant arose from the transfer of RMHC's investment portfolio to MSF.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the eighteen months ended 31 March 2015

14. 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 charge for the year represents contributions payable by the Charity to the fund, and amounted to £137,892 (2013: £93,707).

£7,793 (2013: £7,556) was outstanding at the period end.

15. 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.