



Health and Care Support

Company number 06876310

Charity number 1130424

Trustees' Report and Consolidated Accounts for the Year Ended 31 March 2016

COMPANIES HOUSE



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COMPANIES HOUSE

MASONIC SAMARITAN FUND

Company Number 06876310; Charity Number 1130424

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

The Trustees are pleased to present the annual report for the year ended 31 March 2016 together with the consolidated accounts for the Charity and its subsidiary. Comparative figures relate to the eighteen months from 1 October 2013 to 31 March 2015.

The accounts comply with the requirements of the Companies Act 2006, the Charities Act 2011, the Charity's Memorandum and Articles of Association, and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and Organisational Structure

Masonic Samaritan Fund ("MSF") is a charitable company limited by guarantee, registered in England and Wales and governed by its Memorandum and Articles of Association. 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 MSF. The unincorporated trust has been dissolved.

Plans have been under way for some time to bring together the four central Masonic Charities ("CMC's"), namely MSF, 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). A newly established Charity, the Masonic Charitable Foundation ("MCF", company number 09751836, registered charity number 1164703) was incorporated on 27 August 2015. On 29 October 2015 the members of MSF resolved to make amendments to the Articles of Association, to come into effect at a date to be decided by the Trustees. The main effect of the amendments was to bring MSF under the control of MCF by appointing MCF as sole member of MSF, and MCF together with its Chairman for the time being as the only Trustees. On 17 March 2016 the Trustees resolved to bring the amendments into effect on 1 April 2016. The existing Trustees and members therefore all resigned on that date. The other CMC's have made, or shortly will be making, similar changes to their governing documents. Trustee training is arranged by MCF.

MCF is in the course of taking over the grant-giving activities of the CMC's. The Objects of MCF are widely drawn, enabling it to direct resources to where they are most needed. Festivals in support of the existing CMC's which are planned or already running will continue to raise funds for those Charities, but new Festivals will be in support of MCF.

During the year under review, much of the work of the Charity was carried out by the following three subcommittees, each of which was 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 MSF and Freemasons' Grand Charity, met to assess applications for research funding and make recommendations to the Board of Trustees.

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

The Senior Management Team comprised the following:

- Richard Douglas *Chief Executive*
- John McCrohan *Grants Director and Deputy Chief Executive*
- Peter Smith *Finance Director*

The remuneration of all staff was set by the Trustees with the aims of providing appropriate incentives to encourage enhanced performance and of rewarding staff fairly and responsibly for their individual contributions to the Company's success. Following a TUPE consultation exercise, the employees of MSF were transferred to MCF on 1 April 2016. The committee structure of MCF is broadly similar to that outlined above; the details of its management structure are in the course of being established.

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 Trustees of MSF. 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 MSF.

RMHC continues to receive significant legacy income. The results of RMHC have been consolidated with those of MSF in the financial statements.

REFERENCE AND ADMINISTRATIVE INFORMATION

The officers of MSF 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. Sir David Wootton, *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, *P. Deputy Grand Master (deceased 30 June 2015)*

Board of Trustees – resigned 1 April 2016 except where otherwise stated

Brigadier W. E. Shackell CBE

President and Chairman of the Board of Trustees

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

S. Adcott (*resigned 7 March 2016*)

J-P Da Costa

C. Cunnington BDS, DGDPRCS (Eng)

O. Davison MB BS FRCS

J. Dennison MB, FRCP

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

Dr. S. Fellerman MB, ChB, DRCOG

K. Fender SRN, Dip N, BSc

A. J. R. Flook

R. J. Harker MA, FRCS

R. W. Bro. N. E. Heaviside

G. Leggatt-Chidgey FRSA, FCMI, FIoD

M. R. Perkins BDS MSc(Perio) MClintDent(Perio) MFD RCSI MRD RCSEd

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

M. R. Spencer

M.B. Squires FCA, FCCA, FTII, ATT

Trustees – appointed 1 April 2016

Masonic Charitable Foundation

J. H. Newman (Chairman, MCF) FCA, FCT

Chief Executive

R. Douglas BEd (Oxon)

Advisors

Auditors

Russell New Limited, The Courtyard, Shoreham Road, Upper Beeding,
Steyning, 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 Trustees have continued to monitor the risks to which MSF is exposed, and are 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*: MSF'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 MSF'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 MSF 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 MSF 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 Trustees have 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 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, MSF offers assistance to Freemasons and their dependants who can demonstrate a medical and financial need. MSF has continued to make grants in aid of medical research, and it is expected that MCF will 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 MSF'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 ending 31 March 2016:

- *to continue to work towards the coming together of the four central Masonic Charities*; as described elsewhere in this Report, the four Charities are now under common control.
- *to continue to increase awareness of the work of MSF and thereby increase charitable expenditure*; efforts to raise awareness continued during the year, but the redirection of effort towards publicising MCF and the need to avoid sending mixed messages meant that MSF had a lower profile than in previous years. This may have been the reason for the pro rata fall in 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*; the staff and systems have proved more than adequate to meet the expected demand.
- *to consider funding one or more appropriate research projects*; in order to celebrate MSF's twenty-fifth anniversary, the Trustees more than doubled the amount customarily available for medical research grants. Thirteen grants were awarded during the year at a total cost of £1.13 million.

FINANCIAL REVIEW

Fundraising

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

The Cheshire Festival reached its conclusion in May 2016. The declared Festival total was a splendid £3.01 million. MSF is most grateful to the Festival organising committees and other Brethren who have worked so hard, and to those who gave so generously. Most of the funds raised were received by the Charity before 31 March 2016 (see Note 3 to the accounts).

MSF's overall income from donations was at a lower level than in the previous period, but it is impressive that Brethren have continued to give so generously at a time of continuing economic difficulty. MSF 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.

Legacy income shows a large decrease from the heights of the previous period. Legacy income is by its nature variable, and there is no reason to suppose that substantial legacy income will not be received in future years.

Charitable Expenditure

During the year the Grants Committee approved grants totalling £3.44 million (2015: £6.45 million) in support of 1,325 (2015: 1,976) applications. The figure of £2.87 million shown at Note 5 to the accounts represents the actual expenditure after deducting applicants' contributions and adjusting for cases where funding was not taken up.

Reserves Policy

During the year the Trustees have reaffirmed their Reserves Policy, which is to maintain MSF's reserves at a level of at least five times annual expenditure. This policy has been in place for some years, and the Trustees are well aware that the reserves currently held (£60.30 million) significantly exceed that level.

With effect from 1 April 2016, MSF's income from Festivals will gradually decrease as no new Festivals will be started and MCF takes over fundraising. MSF's reserves will be used by MCF in furtherance of MSF's charitable objects. It is intended that in the long term MSF's reserves will diminish to little or nothing, but that the charitable work previously undertaken by MSF will be continued by MCF.

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. These reviews will in future be conducted by the Investments Committee of MCF.

The portfolios managed by Fulcrum and Hargreave Hale have performed reasonably well in difficult market conditions. The Investments Committee has expressed some concern about the performance of the Sarasin portfolio, and it is anticipated that the MCF Investments Committee will wish to investigate this.

FUTURE OBJECTIVES

MSF's objectives for the year commencing 1 April 2016 will be to complete the integration with MCF and the other Charities while continuing to provide funds for support to beneficiaries. Longer-term objectives will be determined by MCF in due course.

PRESIDENT'S REVIEW

The preparatory work for the transfer of control to MCF has taken up a great deal of staff and trustee time during the year, and I am grateful to those who have worked hard to bring the transfer to a successful conclusion while continuing to provide a high level of service to beneficiaries. MSF is now a subsidiary of MCF, and its work will be carried on by the parent charity. MSF's funds can only be used for the purposes for which they were donated, i.e. in fulfilment of MSF's objects, and will be treated as a restricted fund within MCF.

One of the unfortunate side-effects of the concentration of effort on the transfer of control and related issues appears to have been a reduction in applications for assistance. As noted above, publicity efforts during the year were increasingly directed to promoting MCF rather than MSF; only one issue of *MSF News* was published rather than the usual two. It is expected that the MCF publicity effort will bear fruit in due course, and that applications for assistance will start to increase. In the past, some MSF applicants have also received help from one or more of the other CMC's, and it is anticipated that future applicants will benefit from having to deal with only one charity for all their needs.

In conclusion, I am very grateful to all those who continue to make donations and work to raise money for MSF. 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 former Board of Trustees who gave 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

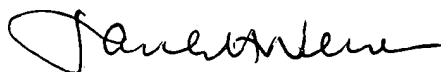
Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are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

AUDITORS

The Trustees of MCF intend to appoint a common auditor for MCF and its grantmaking subsidiaries.

APPROVAL BY TRUSTEES

This report, including the Strategic Report, was approved by the Trustees on 15 September 2016 and signed on their behalf by



James Newman
Chairman, MCF

15 September 2016

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 2016 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 2016 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

15 September 2016

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Consolidated Income and Expenditure Account)
for the year ended 31 March 2016

	<i>Note</i>	Year 2016 £000	18 months 2015 £000
<u>Income</u>			
Donations and Legacies			
Donations (parent charity)	3	1,733	3,011
Legacies (parent charity)		151	1,226
Legacies (RMHC)		163	371
Income from Investments			
Parent charity	4	930	986
RMHC		-	333
Total income		2,977	5,927
<u>Expenditure</u>			
Expenditure on raising funds	6		
Fundraising costs		201	310
Festival and donor records		184	228
Investment management costs (parent charity)		163	471
Investment management costs (RMHC)		-	26
		548	1,035
Expenditure on charitable activities			
Assistance to Beneficiaries	5,6	3,435	6,450
Awareness	6	281	358
Research	6	1,201	552
		4,917	7,360
Total expenditure		5,465	8,395
Net expenditure before gains and losses on investments		(2,488)	(2,468)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Consolidated Income and Expenditure Account)
for the year ended 31 March 2016

continued

	Year	18 months
	2016	2015
	£000	£000
Net expenditure brought forward	(2,488)	(2,468)
Gains/(losses) on investments		
Realised (parent charity)	1,375	1,828
Realised (RMHC)	-	531
Unrealised (parent charity)	(4,350)	5,540
	<u>(2,975)</u>	<u>7,899</u>
Net income/(expenditure) and net movement in funds	(5,463)	5,431
Reconciliation of funds		
Total funds brought forward	65,765	60,334
Total funds carried forward	<u><u>60,302</u></u>	<u><u>65,765</u></u>

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

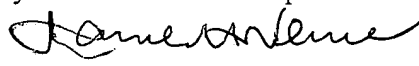
The notes on pages 16 - 26 form part of the statutory accounts.

CONSOLIDATED BALANCE SHEET
as at 31 March 2016

		Year 2016 £000	18 months 2015 £000
	<i>Note</i>		
FIXED ASSETS AND INVESTMENTS			
Tangible assets	9	-	103
Investments	10	55,377	60,001
		<u>55,377</u>	<u>60,104</u>
CURRENT ASSETS			
Debtors and prepayments	11	301	347
Cash (including cash held for investment)		5,949	6,785
		<u>6,250</u>	<u>7,132</u>
CREDITORS			
Amounts falling due within one year	12	(1,325)	(1,471)
NET CURRENT ASSETS		<u>4,925</u>	<u>5,661</u>
NET ASSETS		<u><u>60,302</u></u>	<u><u>65,765</u></u>
FUNDS			
Accumulated Funds at 31 March		<u><u>60,302</u></u>	<u><u>65,765</u></u>

The notes on pages 16 - 26 form part of the statutory accounts.

Approved by the Trustees on 15 September 2016 and signed on their behalf by:




J. Newman
M. R. Heenan

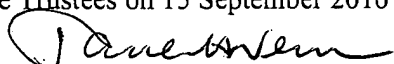
Trustee
for MCF

PARENT CHARITY BALANCE SHEET
for the year ended 31 March 2016

		Year 2016 £000	18 months 2015 £000
	<u>Note</u>		
FIXED ASSETS AND INVESTMENTS			
Tangible assets	9	-	103
Investments	10	55,377	60,001
		<u>55,377</u>	<u>60,104</u>
CURRENT ASSETS			
Debtors and prepayments	11	176	262
Cash (including cash held for investment)		5,944	6,777
		<u>6,120</u>	<u>7,039</u>
CREDITORS			
Amounts falling due within one year	12	(1,325)	(1,471)
NET CURRENT ASSETS		<u>4,795</u>	<u>5,568</u>
NET ASSETS		<u>60,172</u>	<u>65,672</u>
FUNDS		<u>60,172</u>	<u>65,672</u>

The notes on pages 16 - 26 form part of the statutory accounts.

Approved by the Trustees on 15 September 2016 and signed on their behalf by:




J. Newman
M. R. Heenan

Trustee
for MCF

STATEMENT OF CASH FLOWS
for the year ended 31 March 2016

		Year	18 months
		2016	2015
		£000	£000
Net cash used in operating activities	17	(2,040)	2,289
Cash flows from investing activities			
Dividends and interest		930	1,319
Proceeds from sale of investments		274	(3,847)
Net cash provided by investing activities		<u>1,204</u>	<u>(2,528)</u>
Change in cash and cash equivalents in the period		<u>(836)</u>	<u>(239)</u>
Cash and cash equivalents at the start of the period		6,785	7,024
Cash and cash equivalents at the end of the period		<u><u>5,949</u></u>	<u><u>6,785</u></u>

Analysis of cash and cash equivalents

	Brought forward	Cash flow	Carried forward
	£000	£000	£000
Cash at bank and in hand	403	302	705
Cash held with brokers for re-investment	6,382	(1,138)	5,244
Total cash and cash equivalents	<u><u>6,785</u></u>	<u><u>(836)</u></u>	<u><u>5,949</u></u>

The notes on pages 16 - 26 form part of the statutory accounts.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016**

1. STATUTORY INFORMATION

Masonic Samaritan Fund is a charitable company, limited by guarantee, registered in England and Wales. The charitable company's registered number and registered office address can be found in the Report of the Trustees.

2. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Masonic Samaritan Fund meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. There are no material uncertainties about Masonic Samaritan Fund's ability to continue as a going concern.

Reconciliation with previous Generally Accepted Accounting Principles

In preparing the accounts the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No material restatement of comparative items was required.

Consolidation

These financial statements consolidate the results of Masonic Samaritan Fund ("the Charity") and the Royal Masonic Samaritan Hospital Charity ("RMHC", charity number 205793) 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 section 408 of the Companies Act 2006.

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 the Charity is entitled to the income, when it is probable that it will be received and when the amount can be measured with reasonable certainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

2. ACCOUNTING POLICIES - continued

Turnover

The turnover of the charity is wholly attributable to the objects of the charity as stated in the Report of the Trustees and is earned entirely within the UK.

Other Income

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

Expenditure

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.

Cash at bank and in hand

Cash at bank and in hand includes cash held in UK bank accounts cash held with investment brokers which are held for the purpose of reinvestment in longer term listed investments. The trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Taxation

MSF is registered as a charity and all of its income falls within the exemptions under Part 11 of the Corporation Tax Act 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

2. ACCOUNTING POLICIES - continued

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 10. 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.

3. DONATIONS

Donations include amounts received in respect of future Festivals totalling £1,431,000 (2015: £1,519,000).

4. INVESTMENT INCOME

	Year	18 months
	2016	2015
	£000	£000
Bank interest	34	9
Equities and unit trusts	757	812
Bonds	139	165
	<u>930</u>	<u>986</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

5. GRANTS

Grants for Beneficiaries	2,926	5,734
Less: applicants' contributions	(55)	(56)
	<u>2,871</u>	<u>5,678</u>

Research Grants

Alzheimer's Research UK	100	100
Anthony Nolan Trust	92	-
BRACE	-	47
Brain Research Trust	45	-
Brain Tumour Charity	-	50
British Heart Foundation	100	-
Cancer Research UK	-	50
Diabetes UK	55	-
Fight for Sight	-	92
Ludwig Institute for Cancer Research	94	-
Macular Society	100	-
Pancreatic Cancer UK	-	47
Parkinson's UK	90	-
RAFT	92	-
Spinal Research	-	21
Tenovus Cancer Care	89	-
The A-T Society	-	24
UCL Cancer Institute Research Trust	100	-
University of Leicester	-	17
William Harvey Research Foundation	99	-
Yorkshire Cancer Research	73	48
	<u>1,129</u>	<u>495</u>

Charities receiving research grants are all members of the Association of Medical Research Charities, and were selected after consideration by the Joint Medical Research Grants Committee. In 2016, when the total grant available was more than doubled in celebration of MSF's 25th anniversary, the final decisions were made following voting on shortlisted projects by Masonic Provinces.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

6. TOTAL EXPENDITURE

	2016 (12 months)				18 months 2015 £000
	Staff Costs £000	Depn £000	Other Costs £000	Total £000	£000
Expenditure on raising funds					
Fundraising costs	-	-	43	43	98
Support costs for raising funds	96	11	51	158	212
Festival/donor records support	114	17	53	184	228
Investment management costs	-	-	163	163	497
	210	28	310	548	1,035
Expenditure on charitable activities					
<u>Assistance to Beneficiaries</u>					
Activities undertaken directly	-	-	2,971	2,971	5,678
Support costs	305	59	100	464	772
	305	59	3,071	3,435	6,450
<u>Awareness</u>					
Activities undertaken directly	-	-	83	83	149
Support costs	130	14	54	198	209
	130	14	137	281	358
<u>Research</u>					
Activities undertaken directly	-	-	1,129	1,129	495
Support costs	30	2	40	72	57
	30	2	1,169	1,201	552
Total expenditure on charitable activities	465	75	4,377	4,917	7,360
Total Expenditure	675	103	4,687	5,465	8,395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

6. TOTAL EXPENDITURE - continued

Analysis of support costs (including governance costs)

	Year	18 months
	2016	2015
	£000	£000
Staff costs	675	971
Depreciation	103	53
Service charges	61	107
Postage, stationery and printing	11	19
Telephone	5	5
Legal and professional	132	61
IT costs	22	56
Bank charges	6	10
Other support costs	32	172
<u>Governance costs</u>		
Audit fee (all relating to audit services)	17	14
AGM and board meeting expenses	4	3
Board travel reimbursement	8	7
	<u>1,076</u>	<u>1,478</u>

Expenditure includes payments to auditors of £16,800 (2015: £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 31 March 2016

	Year	18 months
	2016	2015
	£000	£000
7. STAFF COSTS		
Salaries	491	726
National Insurance costs	54	78
Pension costs	100	138
Life and healthcare insurance	30	29
	<u>675</u>	<u>971</u>

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

	Year	18 months
	2016	2015
	£000	£000
£95,001-£100,000	-	1
£105,001-£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 twelve (2015: twelve).

Twelve employees are accruing benefits under a money purchase pension scheme. Pension contributions for these staff amounted to £99,200 (2015: £137,892).

The total sum paid to key management personnel excluding pension contributions was £220,100. (2015 £310,600).

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 £7,759 (2015: £7,503) were paid to seven (2015: thirteen) Trustees. This figures include both costs reimbursed and, on rare occasions, costs paid to third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

8. RESULTS OF CONTROLLING CHARITY

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

	Year	18 months
	2016	2015
	£000	£000
Gross income	2,940	21,573
Gross expenditure	(5,465)	(8,369)
Realised gain on investments	1,375	1,828
Unrealised loss on investments	(4,350)	5,540
(Deficit)/surplus for the year	<u>(5,500)</u>	<u>20,572</u>

The unusually high income figure in 2015 arose from the transfer, as a grant, of RMHC's investment portfolio to MSF.

9. TANGIBLE ASSETS

	Office refurbishment	Machinery and office equipment	Furniture fixtures & fittings	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost					
1 April 2015	356	11	41	13	421
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
31 March 2016	<u>356</u>	<u>11</u>	<u>41</u>	<u>13</u>	<u>421</u>
Depreciation					
1 April 2015	254	11	40	13	318
Disposals	-	-	-	-	-
Charge for period	102	-	1	-	103
31 March 2016	<u>356</u>	<u>11</u>	<u>41</u>	<u>13</u>	<u>421</u>
Net book value					
31 March 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value					
31 March 2015	<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 year ended 31 March 2016

10. INVESTMENTS	2016	2015
	£000	£000
Market value at start of year	60,001	54,369
Less: unrealised appreciation	<u>(6,926)</u>	<u>(4,833)</u>
Cost at start of year	53,075	49,536
Additions at cost	26,733	22,993
Disposals at cost	<u>(27,007)</u>	<u>(19,454)</u>
Cost at end of year	52,801	53,075
Unrealised (depreciation)/appreciation	<u>2,576</u>	<u>6,926</u>
Market value at end of year	<u>55,377</u>	<u>60,001</u>
Investment assets in the UK	30,554	19,868
Investment assets outside the UK	<u>24,823</u>	<u>40,133</u>
	<u>55,377</u>	<u>60,001</u>

All investments are held by the parent Charity.

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

Sarasin Equisar Global Thematic I Inc (30%)
Fulcrum UCITS SICAV - Fixed Income (5%)

11. DEBTORS AND PREPAYMENTS

	2016		2015	
	Consolidated	Parent Charity	Consolidated	Parent Charity
	£000	£000	£000	£000
Legacies	141	16	204	119
Income tax recoverable	11	11	11	11
Accrued income	66	66	87	87
Prepayments	2	2	13	13
Due from other charities	76	76	-	-
Other debtors	5	5	32	32
	<u>301</u>	<u>176</u>	<u>347</u>	<u>262</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

12. CREDITORS: DUE WITHIN ONE YEAR

	2016		2015	
	Consolidated	Parent Charity	Consolidated	Parent Charity
	£000	£000	£000	£000
Grants to individuals	942	942	1,043	1,043
Other creditors and accruals	367	367	412	412
Taxation and social security	16	16	16	16
	<u>1,325</u>	<u>1,325</u>	<u>1,471</u>	<u>1,471</u>

13. OPERATING LEASE COMMITMENTS

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

14. RELATED PARTY TRANSACTIONS: ROYAL MASONIC HOSPITAL CHARITY

As stated in the Trustees' Report, the Trustees also control the Royal Masonic Hospital Charity (RMHC). During the period grants totalling £126,000 (2015: £16,350,000) were made by RMHC to the Charity. The bulk of the grant in 2015 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.

15. INVESTMENT IN SUBSIDIARY

The wholly owned subsidiary Royal Masonic Hospital Charity, charity number 205793 is included in these consolidated accounts and the following is a summary of its results for the period:

	2016	2015
	£000	£000
Gross income	163	704
Gross expenditure	-	(26)
Donation to parent charity	(126)	(16,350)
Realised gains/(losses) on investments	-	531
Surplus/(deficit) for the period	<u>37</u>	<u>(15,141)</u>
Debtors and prepayments	125	85
Cash at bank and in hand	5	8
Net assets/Unrestricted funds	<u>130</u>	<u>93</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

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 charge for the year represents contributions payable by the Charity to the fund, and amounted to £99,200 (2015: £137,982).

£8,762 (2015: £7,793) was outstanding at the period end.

17. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£000	£000
Net income/expenditure	(5,463)	5,431
Depreciation charges	103	54
(Gains)/losses on investments	4,350	(2,093)
Dividends and interest	(930)	(1,319)
Decrease in debtors	46	331
(Decrease) in creditors	(146)	(115)
Net cash used in operating activities	(2,040)	2,289

18. SHARE CAPITAL

Masonic Samaritan Fund is a company limited by guarantee and has no share capital.

19. ULTIMATE CONTROLLING PARTY

Since 1 April 2016, the ultimate controlling party has been the Masonic Charitable Foundation.

20. POST BALANCE SHEET EVENT

On 5 April 2016 a loan of £1.4 million was made to MCF. This will be repaid by way of offset against expenditure incurred by MCF in fulfilling the charitable objects of MSF.