

MASONIC SAMARITAN FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Charity Number: 1130424

Company Number: 6876310

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MASONIC SAMARITAN FUND

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MASONIC SAMARITAN FUND

TRUSTEES ANNUAL REPORT

The trustees are pleased to submit their report for the year ended 31st March 2017 together with the consolidated accounts for the Charity and its subsidiary. This report includes a directors' report as required by Section 415 of The Companies Act 2006 and a strategic report as required by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Reference and Administrative Information

Name and Registered Office

The name of the charity is the Masonic Samaritan Fund (the "Charity") and it has its registered office at 60 Great Queen Street, London, WC2B 5AZ.

Trustees

The trustees who served during the whole of the year were:

- The Masonic Charitable Foundation ("MCF") (Corporate Trustee, Registered Charity No. 1164703, Company Number 09751836)
- James H. Newman, OBE

The trustees of the MCF who served during the year were:

- Dr Charles A. Akle
- John Boyington, CBE
- J. Michael Codd
- Charles A.G. Cunnington
- Jean-Paul da Costa
- Timothy D. Dallas-Chapman
- Simon D'O. Duckworth, OBE, DL
- Adrian J.R. Flook
- Antony D.G. Harvey
- Christopher Head (stood down temporarily from 1st April to 30th November 2016)
- Michael R. Heenan (Treasurer)
- Richard M. Hone, QC (President)
- John E. Hornblow
- James H. Newman, OBE (Chairman)
- Andrew C. Ross, OBE
- Howard Ian Sabin
- Brigadier W.E. Shackell (resigned 8th June 2016)
- Dr Alexander I. Stewart, TD (resigned 9th March 2017)
- Nigel J. Vaughan
- David C. Watson
- Andrew G. Wauchope
- Christopher G. White
- Sir Paul Williams, OBE, DL
- Dr Michael Woodcock

There have been no changes in the board of trustees subsequent to 31st March 2017.

MASONIC SAMARITAN FUND

TRUSTEES ANNUAL REPORT

Executive

The Executive during the year to 31st March 2017 were:

- David Innes, Chief Executive
- Les Hutchinson, Chief Operating Officer
- Christopher Head, Finance Director (to 30th November 2016)
- Charles Angus, Finance Director (from 1st December 2016)
- Annette Campbell, Company Secretary

Auditor

Knox Cropper, Chartered Accountants, 8/9 Well Court, London, EC4M 9DN

Bankers

Barclays Bank Plc, Level 28, 1 Churchill Place, Canary Wharf, London, E14 5HP

National Westminster Bank Plc, Bloomsbury Parr's Branch, 214 High Holborn, London, WC1V 7BX

Investment Managers

Fulcrum Asset Management LLP, Marble Arch House, 66 Seymour Street, London, W1H 5BT

Hargreaves Hale Limited, Accurist House, 44 Baker Street, London W1U 7AL

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

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

MASONIC SAMARITAN FUND

TRUSTEES ANNUAL REPORT

Structure, Governance and Management

Organisation

The Charity is constituted as a company limited by guarantee and its governing document is its articles of association. It was incorporated on 14th April 2009 for the purpose of taking over the charitable work of the unincorporated trust of the same name, registered charity number 1001298. On 1st October 2009, the assets and undertaking of the unincorporated trust were transferred to the Charity. The unincorporated trust was subsequently dissolved.

As the trustees consist of the MCF and the chairman of the MCF, the MCF exercises control over the Charity, and will consolidate the Charity's results in its group accounts.

Details of the processes for the appointment, induction and training of the MCF's trustees are given in the annual report and accounts of that company.

Governance and Management

All governance and management capabilities are provided by the MCF and details of the relevant committees and processes are provided in the annual report and accounts of that company. Trustees and committees of the MCF address the specific needs of the Charity as part of their roles and responsibilities for the MCF. The trustee board and the main committees meet as follows:

Board/Committee	Purpose	Meetings per year
Trustee Board	Main decision-making body with ultimate responsibility for the Charity	4
Audit and Risk	Identification and mitigation of risk, oversight of external audit	2
Charity Grants	Consideration of applications for grants from organisations recognised by the Charities Commission	4
Communications	Maintaining effective communication with stakeholders, including existing and potential donors and beneficiaries	4
Finance	Ensuring adequate procedures are in place to manage all aspects of financial planning, controlling and reporting.	4
Fundraising	Supporting the masonic community's fund raising activities to support the Charity	4
Investments	Maintaining investment strategies to meet the requirements of the strategy, appointment and monitoring of fund managers	4
Masonic Support	Consideration of applications from individuals connected with the masonic community for financial relief	4
Property (RMTGB only)	Development and execution of strategies to optimise the returns from the Charity's property portfolio	4
Remuneration	Determination of executive and staff pay & benefits	2
Strategy	Development and implementation of strategies to support the Charity's objectives. In addition, the trustees hold an annual strategic 'away day'.	4

The Charity does not employ any staff, with services being provided by staff employed by the MCF. These services are recharged by the MCF monthly, based upon the number of grants processed, as detailed in note 6 to the accounts.

MASONIC SAMARITAN FUND

TRUSTEES ANNUAL REPORT

Related Charity

In accordance with a Scheme approved by the High Court on 20th 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 (£386,448 during the current year), which is transferred as a grant to the Charity. The results of RMHC have been consolidated with those of the Charity in the financial statements.

MASONIC SAMARITAN FUND

STRATEGIC REPORT

Objectives and Activities

Objectives

The beneficiaries of the Charity are Freemasons, the wives (or widows as the case may be) or the children or dependents 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.

Support will principally give relief to applicants who demonstrate a financial need and who are otherwise unable to obtain treatment or care from the NHS or Local Authority (or overseas equivalent) without undue delay or hardship.

Activities

Grants are offered toward the cost of:

- Private medical treatment, surgery or specialist consultations for those facing a lengthy wait for treatment or surgery on the NHS.
- Home adaptations for those with disabilities and mobility problems who are unable to get support from their Local Authority (or equivalent), or who face a lengthy wait for those adaptations.
- Mobility aids for in and around the home and car for those unable to get support from the NHS or their Local Authority.
- Essential dental treatments and procedures which cannot be provided freely or quickly on the NHS.
- Respite care for family carers who provide vital support for a loved one.
- Medical research to fund basic, clinical and epidemiological research projects that aim to improve knowledge, treatment and services for those with illnesses or disabilities.
- In addition to grants, advice and support is offered to help those in need to navigate the health and social care system to ensure they are receiving the support to which they and their loved ones are entitled.

Grants are assessed against eligibility criteria, the guidelines for which are reviewed regularly.

Aims

Following the creation of the MCF, for 2016/17 the primary aim of the Charity was, through the work of the MCF, to combine grant-making activities with those of the RMTGB and TGC to ensure the combined broad range of support was offered to all eligible beneficiaries consistently to the same high standards.

MASONIC SAMARITAN FUND

STRATEGIC REPORT

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, the Charity offers assistance to Freemasons and their dependents who can demonstrate a medical and financial need. The Charity has continued to make significant grants in aid of medical research, which benefit the national and international community. It is expected that it will continue to make further grants in the future under the direction of the MCF (the parent charity), 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 a similar number of dependents. Thus almost half a million people are potentially eligible for the Charity's support. Freemasonry is a secular fraternal society which is open to all adult men who subscribe to its moral and spiritual values.

Achievements and Performance

- We successfully merged MSF grant-making activities under the MCF, resulting in a single point of contact and support for all those within the Masonic community seeking help with health and care needs. Through the creation of GAMES (Grant Application Management and Evaluation System) it can now manage, monitor and report on all grants and enquiry activity.
- GAMES also allows trained volunteers to submit and monitor applications for support online in their own regions.
- From 1 April 2016 MSF activities were carried out by the MCF. Through the MCF 1,700 grants were awarded to 1,055 unique beneficiaries for a total of £2.46 M across a wide range of forms of support.
- For the furtherance of the charities' purpose for the public benefit 8 grants were awarded to charities working in medical research totalling £0.95 M.
- Through the MCF, the charity recruited its first monitoring & evaluation officer, dedicated to designing processes and frameworks for capturing and measuring the impact of the support that is offered. It is hoped that through this commitment we will be better able to report on the impact we are making in the future, beyond reporting on activities and outputs.

MASONIC SAMARITAN FUND

STRATEGIC REPORT

Financial Review

Review of the Year

The principal funding sources continue to be voluntary donations from annual festival appeals, legacies and investment returns.

Income of £2.48 M was 17% lower than the prior year. This was expected as festivals start to be linked to the new parent charity, the Masonic Charitable Foundation. Additionally, it should be noted that the remaining festivals linked to the Charity during the year were located in smaller provinces. Festival income of £0.62 M was 57% lower than 2015/16. The Cheshire festival completed during the year with a final total amount raised of £3.01 M, a splendid achievement. The Wiltshire festival, due to complete in September 2017 had already exceeded its target of £0.75 M by March 2017. The Charity is most grateful for the sterling efforts made by their organising committees and generous donations of time and money by Brethren. Legacies are by nature variable, and income from this source for the current year of £0.65 M was 106% higher than the prior year.

Expenditure of £5.22 M was 4% lower than the prior year. Grant expenditure of £3.41 M was 19% lower than the previous year. It is likely this was as a result of a deliberately reduced marketing strategy during the consolidation year. However, the Charity will be ensuring that greater efforts are made to increase awareness of the availability of support throughout the community, and will be implementing enhanced communications activities in 2017/18 to achieve this objective.

The excellent returns made from the investment funds with Sarasin and Hargreaves Hale resulted in a net gain of £9.67 M for the year (prior year loss: £2.98 M). This was the primary reason for the surplus transferred to accumulated funds of £6.93 M (prior year deficit: £5.46 M).

Reserves Policy

Following the commencement of operations of the MCF in April 2016, all future festivals will be targeted to raise funds for this new charity, which has wide objects to direct grants to where support is most needed. As a result, incoming funds for the Charity will decline significantly to minimal levels over the next five years. The policy is to prioritise the payment of all grants that fall under the objectives of the Charity through the reserves of the Charity before drawing upon the resources of the MCF.

Consequently, it is planned that the Charity's reserves will eventually diminish to a minimal level and the occasional legacy, at which time the MCF will take over full responsibility for the continuation of the Charity's objects.

MASONIC SAMARITAN FUND

STRATEGIC REPORT

Principal Risks and Mitigation

The principal risks identified and agreed actions to mitigate are shown in the following table:

Risk	Consequence	Mitigation
Significant unexpected financial loss from operations	Reputational damage, loss of confidence with key stakeholders and impact upon continuing financial sustainability	Strong financial procedures, particularly budgetary planning and control. Oversight from the Finance Committee.
Inadequate liquidity to meet financial commitments	Poor service to beneficiaries and reputational damage. Withdrawal of key services from suppliers	Cash flow forecasting and liquidity planning within the Investment Strategy
Significant long-term loss in the value of the investment portfolio	Impacts financial sustainability and reputational damage with donors	Appointment and performance monitoring of expert investment managers. Oversight from investment and property committees.
Grants made outside the Charity's Objects and operating guidelines	Reputational damage, loss of confidence with key stakeholders and potential trustee liability	Strong procedures and controls for processing grants. Oversight from Masonic Support and Charity Grants committees
Cyberattack on IT systems	All key operations are compromised	UGLE and IT network providers have strong security procedures in place covering access, protection, backups and disaster recovery facilities
Data protection breach	Reputational damage and significant financial penalties	Data protection policy, IT security and HR policies in place
Fraud	Financial loss, reputational damage, adverse impact upon staff	Financial procedures, segregation of duties, authority limits, IT security, increased awareness amongst staff
Unavailability of office accommodation	Operations compromised	UGLE Business Continuity Plan
Loss of paper records from fire/flooding	Breach of legal obligations, adverse impact upon operations, potential financial penalties	Reduced reliance on paper records with increased use of IT.
Lack of compliance with employment legislation	Breach of legal obligations, potential financial penalties, breakdown of staff morale and adverse impact upon service provision	HR procedures and staff handbook. Induction processes for new staff. Ongoing management training and Personal Development Review
Undue reliance on key persons	Operational breakdown, adverse impact upon staff morale, poor service to beneficiaries and potential reputational damage	HR procedures: organisational and succession planning. Comprehensive documentation of procedures and controls

Risks are actively monitored by the Executive and the senior leadership team, and formally reviewed by the audit and risk committee at their biannual meetings.

MASONIC SAMARITAN FUND

STRATEGIC REPORT

Investment Policy and Performance

The Charity manages its investments on a total return basis, with an overall objective of making a return of RPI plus 4% net of all expenses in the long term. The trustees accept that a high weighting of equity investments will be required in the portfolio asset allocation in order to meet this target return. Risk is managed through diversification, using a combination of investment management styles.

Investment returns have benefitted from strong stock market growth over the second half of the year. Performance by investment manager is shown in the following table:

Investment Manager	Fulcrum	Sarasin	Hargreaves Hale
Fund at 31 st March 2017	£19.36 M	£23.61 M	£25.50 M
Investment approach	Absolute Return, Cautious	Thematic, 100% equities. Higher Risk	Balanced, equities and fixed interest
Benchmark	None	MSCI All Countries Total Return	Composite
Return for the year	2.50%	29.20%	22.18%
Benchmark return for year	N/A	32.20%	28.14%
3 year return	6.00%	11.70%	33.08%
3 year benchmark	N/A	15.60%	44.58%

Plans for Future Periods

All future grant-making and support activities will be managed through the MCF, but those relating to the Charity's objects will be recharged back to it. With all new festivals being linked to the MCF, this will result in reserves being depleted over a period of time. The Charity will continue to receive income from its investments, which will extend the remaining lifetime of the Charity.

- Key activities being planned for the future by the MCF on behalf of the Charity are provided in the annual report and accounts of the MCF.

MASONIC SAMARITAN FUND

STATEMENT OF TRUSTEES RESPONSIBILITIES

Statement of Responsibilities

The trustees, who are also the directors of the Charity for the purposes of company law, are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (U.K. "GAAP").

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

Statement of Disclosure of Information to Auditors

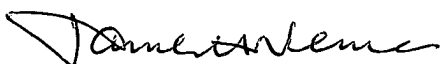
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are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

Auditors

A resolution proposing that Knox Cropper be reappointed as auditors will be put to the members.

Approval by Trustees

This report, including the strategic report, was approved by the Trustees on 14th September 2017 and signed on their behalf by



James Newman, OBE
Chairman, MCF

MASONIC SAMARITAN FUND

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

We have audited the accounts of Masonic Samaritan Fund for the year ended 31 March 2017 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), including Financial Reporting Standard 102.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustee's as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, 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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS AND TRUSTEES OF THE 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.

Knox Cropper

Stephen Anderson FCCA
Senior Statutory Auditor
for and on behalf of Knox Cropper
Statutory Auditors
8-9 Well Court
London EC4M 9DN

14/9/17

MASONIC SAMARITAN FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2017

(Including a Consolidated Income and Expenditure Account)

	Note	2017 £'000	2016 £'000
INCOME			
Donations and legacies	2	1,537	2,047
Investment income	3	945	930
Total income		2,482	2,977
EXPENDITURE			
Cost of generating funds		(182)	(385)
Investment management costs	4	(243)	(163)
		(425)	(548)
Charitable activities			
Masonic grants	5	(3,835)	(3,633)
Non-Masonic grants	5	(961)	(1,284)
		(4,796)	(4,917)
Total expenditure		(5,221)	(5,465)
Net gains/(losses) on investments	9	9,670	(2,975)
NET MOVEMENT IN FUNDS		6,931	(5,463)
Total funds brought forward		60,302	65,765
Total funds carried forward		67,233	60,302

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities.

The notes on pages 18 to 27 form part of these financial statements.

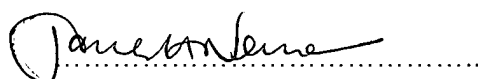
MASONIC SAMARITAN FUND

BALANCE SHEET as at 31 March 2017

Company Number 6876310

BALANCE SHEET as at 31 March 2017		Note	March 2017		March 2016	
Company Number 6876310			Group £'000	Company £'000	Group £'000	Company £'000
FIXED ASSETS						
Tangible Fixed Assets	8	0	0	0	0	0
Investments	9	65,830	65,830	55,377	55,377	
		65,830	65,830	55,377	55,377	
CURRENT ASSETS						
Debtors	10	248	248	301	176	
Investments	9	2,645	2,645	5,244	5,244	
Cash at bank and in hand		510	505	705	700	
		3,403	3,398	6,250	6,120	
CURRENT LIABILITIES						
Creditors falling due within one year	11	(1,627)	(1,627)	(1,115)	(1,115)	
NET CURRENT ASSETS						
		1,776	1,771	5,135	5,005	
TOTAL ASSETS LESS CURRENT LIABILITIES						
		67,606	67,601	60,512	60,382	
Creditors falling due after one year	11	(373)	(373)	(210)	(210)	
Total net assets		67,233	67,228	60,302	60,172	
CHARITABLE FUNDS						
Unrestricted funds						
General reserves		67,233	67,228	60,302	60,172	
Total charitable funds		67,233	67,228	60,302	60,172	

The financial statements were approved and authorised for issue by the Trustee Board on 14th September 2017 and signed on their behalf by:



Chairman



Treasurer

The notes on pages 18 to 27 form part of these financial statements

MASONIC SAMARITAN FUND

YEAR ENDED 31 MARCH
2017

CASH FLOW STATEMENT

2017
£'000

2016
£'000

Operating Activities

Net cash provided by/(used in) Operating Activities

A (2,964) (3,415)

Cash flows from investing activities

Dividends, interest and rents from investments

945 930

Proceeds from the sale of investments

22,007 28,382

Purchase of investments

(22,782) (26,733)

Net cash provided by/(used in) Investing Activities

170 2,579

Change in cash and cash equivalents in the reporting period

(2,794) (836)

Cash and cash equivalents at the beginning of the reporting period

5,949 6,785

Cash and cash equivalents at the end of the reporting period

B 3,155 5,949

Notes on the cash flow statement

A Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net movement in funds as per the Statement of Financial Activities

6,931 (5,463)

Adjustments for:

Depreciation

0 103

Dividends, interest and rents from investments

(945) (930)

(Gains)/losses in investments (excluding within cash balances)

(9,679) 2,975

(Increase)/decrease in debtors

54 46

Increase/(decrease) in creditors

675 (146)

Net cash provided by/(used in) Operating Activities

(2,964) (3,415)

B Analysis of cash and cash equivalents

Cash held by investment managers

2,645 5,244

Cash at bank and in hand

510 705

Total cash and cash equivalents

3,155 5,949

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Masonic Samaritan Fund (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Companies Act 2006, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice "Accounting and Reporting by Charities" published in 2015 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

These financial statements consolidate the results of 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 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.

(c) Going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

- i. Monetary donations are brought into account when received.
- ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.
- iii. Dividends are recognised from the ex-dividend date when they become receivable.

(e) Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Expenditure on generating funds includes costs of fundraising and maintenance of festival and donor records, together with the management of the investment [and property] portfolios. These costs include the allocation of support costs relating to these activities.

Charitable activities are split between masonic activities and grants awarded to external institutions (designated as "non-Masonic" within the SOFA).

Masonic activities include the payment of grants directly to beneficiaries together with related welfare and support costs. Non-Masonic activities consist of the payment of grants to external institutions. Support costs are allocated to these activities on the bases laid out in note 6.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award.

The provision for multi-year grants is recognised at its present value when settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit it to avoid making future payments, settlement is probable and the effect of discounting is material. The discount rate used is the long-term return of inflation plus 4 percent used as the target for the Charity's investment portfolio.

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

(f) **Employee benefits**

All staff are employed by the parent charity, The Masonic Charitable Foundation, and recharged to the Charity based upon the relative number of grants processed. Information relating to those employees is given in the accounts of the Masonic Charitable Foundation.

(g) **Fund accounting**

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity.

(h) **Tangible fixed assets**

Tangible fixed assets, excluding land and investment properties, held by the Charity are stated at cost less accumulated depreciation and any accumulated impairment losses. Land is stated at cost less any accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Fixed assets are subject to review for impairment when there is an indication of a reduction in their carrying value. They are reviewed annually and any impairment is recognised in the year in which it occurs.

Assets in the course of construction are stated at cost and not depreciated until available for use.

The threshold for capitalisation is £10,000

Depreciation is calculated using the straight-line method to allocate the cost of each asset less its residual value over its estimated useful life, as follows:

	Asset	Years
i.	Office refurbishment	10
ii.	Computers and equipment	4

(i) **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

(j) Financial assets and liabilities

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(k) Foreign currencies

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) Taxation

The Charity is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities. The Charity is unable to recover Value Added Tax (VAT) incurred on expenditure [except on property related costs where an option to tax has been taken]. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

2. DONATIONS AND LEGACIES	2017	2016
	£'000	£'000
Festivals	619	1,431
Other donations	273	302
Legacies	645	314
	<u>1,537</u>	<u>2,047</u>
3. INVESTMENT INCOME	2017	2016
	£'000	£'000
Interest on bank deposits	6	34
Income from investment portfolios	939	896
	<u>945</u>	<u>930</u>
4. INVESTMENT MANAGEMENT COSTS	2017	2016
	£'000	£'000
Investment fund management	202	163
Support costs	41	0
	<u>243</u>	<u>163</u>
5. CHARITABLE ACTIVITIES	2017	2016
	£'000	£'000
Masonic		
Sickness and illness	2,458	2,971
Support Costs	1,377	662
	<u>3,835</u>	<u>3,633</u>
Non-Masonic		
Medical & Social Research Programme	949	1,212
Support Costs	12	72
	<u>961</u>	<u>1,284</u>

Masonic support of £2,458k consisted of 1,700 grants made to individual beneficiaries. 8 grants were made to charitable institutions under the Medical & Social Research Programme; these grants are detailed in annex A to these financial statements.

Auditor's remuneration of £12k (2016: £17k) were included in support costs to charitable activities.

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

6. SUPPORT COSTS	Cost of Generating Funds £'000	Investment Management £'000	Masonic £'000	Non- Masonic £'000	Total 2017 £'000	Basis for Allocatic
Masonic Support - Grants	0	0	320	0	320	(a)
Masonic Support - Advice & Support	0	0	161	0	161	(a)
Masonic Support - Provincial & Volunteers	0	0	89	0	89	(a)
Relief Chest - Charitable	0	0	73	2	75	(a)
Community Support & Research	0	0	0	3	3	(a)
Strategic Development & Special Projects	0	0	88	2	90	(b)
Executive	14	0	57	1	72	(c)
Finance	10	27	64	1	102	(c)
Information Technology	0	0	51	1	52	(b)
Human Resources	0	0	16	0	16	(b)
Communications	0	0	223	5	228	(b)
Governance	0	0	50	0	50	(b)
Facilities & Administration	0	0	41	1	42	(b)
Administration and Support	0	0	92	2	94	(b)
Facilities & Admin - Ruspini House	0	0	27	1	28	(b)
Other	0	14	25	(7)	32	
	24	41	1,377	12	1,454	

Basis for allocation	(a)	Directly attributed
	(b)	Number of grants processed
	(c)	Headcount and number of grants processed

7. STAFF COSTS	2017 £'000	2016 £'000
Wages and salaries	0	491
Social security costs	0	54
Pension contributions	0	100
Employee benefits	0	30
	0	675

AVERAGE NUMBER OF STAFF	2017	2016
Generating funds	0	0
Grant making activities	0	12
	0	12

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

7. STAFF COSTS (Continued)

STAFF EARNING MORE THAN £60,000 (INC. BENEFITS)	2017	2016
£90,001 to £100,000	0	1
	<u>0</u>	<u>1</u>

All staff were transferred to the parent charity, the Masonic Charitable Foundation, with effect from 1st April 2016. Key management staff received remuneration of £220k in 2016.

No trustees received remuneration from the Charity during the year (2016: £Nil). No trustees' expenses were incurred for the year (2016: travel and subsistence expenses of £8k were paid to 7 trustees).

8. TANGIBLE FIXED ASSETS	Office Refurbishment £'000	Computers, Equipment & Furniture £'000	Total £'000
Cost			
Balance at 1 April 2016	356	65	421
Disposals	(356)	(65)	(421)
Balance at 31 March 2017	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation			
Balance at 1 April 2016	356	65	421
Disposals	(356)	(65)	(421)
Balance at 31 March 2017	<u>0</u>	<u>0</u>	<u>0</u>
Net book value			
At 31 March 2017	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2016	<u>0</u>	<u>0</u>	<u>0</u>

All assets are owned by the parent charity.

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

9. INVESTMENTS

	March 2017		March 2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Fixed asset investments				
Listed investments				
- Equities	16,248	16,248	12,739	12,739
- Fixed interest	12,741	12,741	8,710	8,710
- Managed funds	36,841	36,841	33,928	33,928
	65,830	65,830	55,377	55,377
Current asset investments				
Cash and cash equivalents	2,645	2,645	5,244	5,244
	68,475	68,475	60,621	60,621

MOVEMENTS IN INVESTMENTS

Listed

Balance at 1 April 2016	60,621	60,621	66,383	66,383
Additions	22,782	22,782	26,733	26,733
Disposals	(22,007)	(22,007)	(28,382)	(28,382)
Gains/(losses)	9,679	9,679	(2,975)	(2,975)
Changes in cash balances held	(2,600)	(2,600)	(1,138)	(1,138)
Balance at 31 March 2017	68,475	68,475	60,621	60,621

RECONCILIATION TO SOFA

Gains/(losses) on listed investments	9,679	9,679	(2,975)	(2,975)
Gains/(losses) within cash balances held	(9)	(9)	0	0
	9,670	9,670	(2,975)	(2,975)

10. DEBTORS

	March 2017		March 2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Prepayments and accrued income	113	113	68	68
Other debtors	135	135	233	108
	248	248	301	176

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

11. CREDITORS

	March 2017		March 2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Falling due within one year				
Grants payable	1,097	1,097	732	732
Amounts owed to group undertakings	478	478	0	0
Accruals and deferred income	52	52	0	0
Taxation and social security	0	0	16	16
Other creditors	0	0	367	367
	<u>1,627</u>	<u>1,627</u>	<u>1,115</u>	<u>1,115</u>
Falling due after more than one year				
Grants payable	373	373	210	210
	<u>373</u>	<u>373</u>	<u>210</u>	<u>210</u>

12. RELATED PARTY TRANSACTIONS

The Charity controls the Royal Masonic Hospital Charity (RMHC) through common trustees. During the period grants totalling £511,000 (2015/16: £16,350,000) were made by RMHC to the Charity. The majority of this related to the transfer of legacies received by the RMHC. There were no balances between the two charities at the balance sheet date.

The MCF has paid out grants on behalf of the Charity during the year, and has been reimbursed by the Charity. Additionally, the MCF has borne all the administrative costs of supporting the Charity as well as its fellow subsidiary charities. The Charity has been recharged a proportion of these costs based upon the relative number of grants processed.

MASONIC SAMARITAN FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

13. INVESTMENT IN SUBSIDIARY

The RMHC (Registered Charity No. 205793) has its principal place of business at 60 Great Queen Street, London, WC2B 5AZ. The summary of its results for the year and its net assets as at 31st March 2017 is shown as follows:

	2017 £'000	2016 £'000
Gross income	386	163
Donation to parent charity	(511)	(126)
Net movement in funds	(125)	37
Total funds brought forward	130	93
Total funds carried forward	5	130

Represented by net assets as follows:

Debtors and prepayments	0	125
Cash at bank and in hand	5	5
	5	130

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Masonic Charitable Foundation (Registered Charity No. 1164703, Company Number 09751836). Consolidated accounts for the MCF, which include the accounts of the Charity, can be obtained from the registered office of the Charity.

MASONIC SAMARITAN FUND

ANNEX A – GRANTS MADE TO CHARITABLE INSTITUTIONS

Charity	Amount	Purpose
Medical and Social Research		
Action on Hearing Loss	£79,500	to fund research into hearing loss
Arthritis Research UK	£90,000	to fund research into Arthritis
Brain Tumour Research	£150,000	to fund research into brain tumours
Kidney Research UK	£144,690	to fund research into kidney disease
National Eye Research Centre	£61,000	to fund research into diabetic retinopathy
Royal College of Surgeons	£300,000	to fund research into surgical trials
Sparks	£58,321	to fund a screening tool to identify visual impairment in children with severe cerebral palsy
The Inspire Foundation	£65,000	to fund research into spinal cord injury
Total	£948,511	