MASONIC SAMARITAN FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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 2020 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:

- John Boyington, CBE
- Sinead Brophy (appointed 13th June 2019)
- Charles A.G. Cunnington
- Jean-Paul da Costa (resigned 31st March 2020)
- Timothy D. Dallas-Chapman
- Simon D'O. Duckworth, OBE, DL
- Clive Emerson (appointed 13th June 2019)
- Alan Graham (appointed 13th June 2019)
- Antony D.G. Harvey
- Christopher Head
- Michael R.Heenan (Treasurer)
- Richard M. Hone, QC (President)
- John E. Hornblow
- James H. Newman, OBE (Deputy President and Chairman)
- Howard Ian Sabin
- Nigel J. Vaughan
- David C. Watson
- Andrew G. Wauchope
- Christopher G. White
- Sir Paul Williams, OBE, DL
- Howard G. Wilson

MASONIC SAMARITAN FUND

TRUSTEES ANNUAL REPORT

Executive

The Executive during the year to 31st March 2020 were:

- David Innes, Chief Executive
- Les Hutchinson, Chief Operating Officer
- Charles Angus, Finance Director
- Annette Campbell, Company Secretary

Auditor

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London, EC3A 2AD

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 Advisors

Asset Risk Consultants Limited, 7 New Street, St. Peter Port, Guernsey, GY1 2PF

Investment Managers

Thesis Unit Trust Management Ltd, Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP

CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Royal London Asset Management Ltd., 55 Gracechurch Street, London, EC3V 0UF

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 Charity Commission	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 Charity, 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 (£0.11 M 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 2019/20 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

- The Charity has successfully merged its Masonic 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.
- Through the MCF 2,319 grants were awarded to 1,592 unique beneficiaries for a total of £3.33 M, net of write backs from prior years, across a wide range of forms of support.
- A grant of £5.10 M was provided to the Royal Masonic Benevolent Institution Care Company ("RMBICC") to support publically-funded Freemasons in care homes.
- For the furtherance of the charities' purpose for the public benefit 8 grants were awarded to charities working in medical research totalling £1.12 M.

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 £2.13 M was 1% higher than the prior year. Festival income of £42k was 88% lower than 2019. The Bristol festival completed during the year with a final total amount raised of £1.05 M, a splendid achievement, exceeding its target of £0.65 M. The Charity is most grateful for the sterling efforts made by its 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 £1.07 M was 29% higher than the prior year.

Expenditure of £11.73 M was 11% higher than the prior year. Masonic Grant expenditure of £8.43 M included a grant of £5.10 M to the RMBICC to support publically-funded masonic residents in its care homes. Excluding this amount, expenditure of £3.33 was 36% higher than the previous year. Charity grants expenditure of £1.14 M was 8% higher than prior year. Charitable support costs of £1.81 M were 8% higher than prior year.

Investment losses of £1.16 M were considerably adverse to prior year (gains of £2.93 M), due to the economic fallout from the Covid-19 pandemic in March. The deficit for year transferred to reserves was £10.75 M (2019: deficit of £5.51 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 of Asset Risk Consultants as expert investment advisors, providing monthly performance reporting and analysis. 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	United Grand Lodge of England ("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 MCF global investment strategy seeks to protect the capital value of investments that are required to fund operations for a three-year time horizon (the "Cash Reserve") and to invest all remaining funds for long term growth, on a total return basis, with an overall objective of making a return of RPI plus 3% net of all expenses.

The Cash Reserve is provided by Royal London Asset Management ("RLAM") and utilises three of their funds, which provide a mix of instruments, including cash instruments, Treasury Bills, covered (secured) bonds, corporate bonds, Supranationals and mortgage-backed securities. The performance objectives of the three funds are:

- Short Term Money Market Fund: 7 day LIBID
- Cash Plus Fund: 7 day LIBID plus 0.50% to 0.75% gross of fees
- Enhanced Cash Plus Fund: 7 day LIBID plus 1.00% to 1.25% gross of fees

The MCF sponsored the launch of the Masonic Charitable Foundation Investment Fund CAIF, which took place on 1st October 2018. This is a unit trust with a highly efficient tax wrapper in which the MCF and all its subsidiary charities own their shares in the form of units. Units will be sold as required in order to top up the Cash Reserve on a quarterly basis. The investment strategy is directed for "Steady Growth", which is a medium-high risk strategy. Risk is managed through diversification, with the funds split between four different fund managers operating on multi asset mandates but utilising differing investment management styles. The overall fund manager is Thesis Unit Trust Management Limited and the custodian in Northern Trust.

The asset allocation for the CAIF was amended on 1st April 2019 by the investment committee following advice from Asset Risk Consultants. The strategic and actual asset allocations as at 31st March 2020 are shown in the following table:

Asset Class	Strategic Allocation	Benchmark	Actual 31st March 2020
Cash	0.00%	7 day LIBID	3.80%
Fixed Income	7.50%	FTSE UK World Gov. Bond Index GBP	6.80%
International Equity	28.75%	MSCI World ex UK NR GBP	54.10%
Int'nl Equity GBP hedged	12.00%	MSCI World ex UK Hedged NR GBP	3.90%
U.K. Equity	18.00%	MSCI UK Equity NR GBP	19.60%
Emerging Market Equity	12.50%	MSCI Emerging Markets Equity NR GBP	2.90%
Global Equity Hedge	13.75%	HFRX Global Equity Hedge GBP	0.00%
Alternative Investments	3.75%	HFRX Global Hedge Fund GBP	6.50%
Property	3.75%	IA UK Direct Property TR	2.40%
	100.00%		100.0%

In order to balance property exposure across all the MCF subsidiaries, the Charity also made a direct investment into the CCLA property fund.

Performance under the new arrangements is shown in the table overleaf. Note that performance for periods before launch on 1st October 2018 is derived from the historical returns of the constituent fund managers:

STRATEGIC REPORT

Investment Policy and Performance (Continued)

	MCF CAIF	RLAM Short Term	RLAM Cash Plus	RLAM Enhanced	CCLA
Fund at 31st March 2020					
Investment approach	Steady Growth Multi-Asset	Capital Protection	Capital Protection	Capital Protection	Income & long-term Capital Growth
Benchmark	Composite	7 day LIBID	7 day LIBID	7 day LIBID	MSCI/AREF UK other balanced property
Peer Group	ARC Charity GBP Steady Growth	None	None	None	ARC Charity GBP Steady Growth
Return for the year	(5.80)%	0.82%	0.63%	0.46%	3.40%
Benchmark return for year	(8.20)%	0.71%	0.68%	0.68%	(1.60)%
Peer group return for year	(7.90)%	N/A	N/A	N/A	N/A
3 year return	1.70%	1.87%	2.02%	2.51%	20.0%
3 year benchmark	(2.10)%	1.45%	1.39%	1.39%	7.7%
3 year peer group	(3.50)%	N/A	N/A	N/A	N/A

Worldwide stock-markets collapsed in March following the Covid 19 outbreak, and the CAIF fell by 21% from a high point of £112 per unit in February to a low point of £88 per unit on 23rd March. It has recovered strongly in the early part of the new financial year both in absolute terms and relative to its peer group and benchmark.

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 Auditor

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 auditor is aware of such information.

Auditor

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

Approval by Trustees

This report, including the strategic report, was approved by the trustees on 10th September 2020 and signed on their behalf by



James Newman, OBE

Chairman, MCF

MASONIC SAMARITAN FUND

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF THE MASONIC SAMARITAN FUND

Opinion

We have audited the financial statements of Masonic Samaritan Fund (the 'parent charity') and its subsidiary ('the group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF THE MASONIC SAMARITAN FUND

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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 charity 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 charity 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF THE MASONIC SAMARITAN FUND

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the charitable company's member 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 member those matters we are required to state to them in an auditor's 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 member for our audit work, for this report or for the opinions we have formed.

Stephen Anderson FCCA
Senior Statutory Auditor
for and on behalf of Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD
10th September 2020

MASONIC SAMARITAN FUND (COMPANY REGISTRATION NUMBER: 6876310)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2020

(Including a Consolidated Income and Expenditure Account)

	Note	2020 £'000	2019 £'000
INCOME			
Donations and legacies	2	1,257	1,314
Investment income	3	877	789
Sundry income		0	19
Total income		2,134	2,122
EXPENDITURE			
Cost of generating funds		(100)	(178)
Investment management costs	4	(249)	(201)
		(349)	(379)
Charitable activities			
Masonic grants	5	(10,229)	(9,116)
Non-Masonic grants	5	(1,147)	(1,066)
		(11,376)	(10,182)
Total expenditure		(11,725)	(10,561)
Net gains/(losses) on investments	8	(1,155)	2,934
NET MOVEMENT IN FUNDS		(10,746)	(5,505)
Total funds brought forward		56,974	62,479
Total funds carried forward		46,228	56,974

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

The notes on pages 20 to 29 form part of these financial statements.

MASONIC SAMARITAN FUND

BALANCE SHEET as at 31 March 2020

Company Number 6876310

	Note	March 2020		March 2019	
		Group £'000	Company £'000	Group £'000	Company £'000
FIXED ASSETS					
Investments	8	25,316	25,316	36,729	36,729
		25,316	25,316	36,729	36,729
CURRENT ASSETS					
Debtors	9	84	49	321	261
Investments	8	22,756	22,756	21,227	21,227
Cash at bank and in hand		1,057	1,052	1,721	1,719
		23,897	23,857	23,269	23,207
CURRENT LIABILITIES					
Creditors falling due within one year	10	(2,099)	(2,099)	(2,126)	(2,126)
NET CURRENT ASSETS		21,798	21,758	21,143	21,081
TOTAL ASSETS LESS CURRENT LIABILITIES		47,114	47,074	57,872	57,810
Creditors falling due after one year	10	(886)	(886)	(898)	(898)
Total net assets		46,228	46,188	56,974	56,912
CHARITABLE FUNDS					
Unrestricted funds					
General reserves		46,228	46,188	56,974	56,912
Total charitable funds		46,228	46,188	56,974	56,912

The financial statements were approved and authorised for issue by the Trustee Board on 10th September 2020 and signed on their behalf by:

James Newman, OBE
Chairman

Michael Heenan
Treasurer

The notes on pages 20 to 29 form part of these financial statements

MASONIC SAMARITAN FUND

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

		2020 £'000	2019 £'000
Operating Activities			
Net cash provided by/(used in) Operating Activities	A	(10,908)	(9,994)
Cash flows from investing activities			
Dividends, interest and rents from investments		877	789
Proceeds from the sale of investments		18,337	95,595
Transfers from/(to) group undertakings		0	0
Purchase of investments		(8,970)	(92,724)
Net cash provided by/(used in) Investing Activities		10,244	3,660
Change in cash and cash equivalents in the reporting period		(664)	(6,334)
Cash and cash equivalents at the beginning of the reporting period		1,721	8,055
Cash and cash equivalents at the end of the reporting period	B	1,057	1,721

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	(10,746)	(5,505)
Adjustments for:		
Dividends, interest and rents from investments	(877)	(789)
Other movements in investments	517	(3,313)
Decrease in debtors	237	484
(Decrease) in creditors	(39)	(871)
Net cash provided by/(used in) Operating Activities	(10,908)	(9,994)

B **Analysis of cash and cash equivalents**

Cash held by investment managers	0	0
Cash at bank and in hand	1,057	1,721
Total cash and cash equivalents	1,057	1,721

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.

(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 reinvested in the CAIF on the date that they are declared.

(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 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.

(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) **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.

(i) **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. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

2. DONATIONS AND LEGACIES

	2020 £'000	2019 £'000
Festivals	42	360
Other donations	145	122
Legacies	1,070	832
	1,257	1,314

3. INVESTMENT INCOME

	2020 £'000	2019 £'000
Interest on bank deposits	4	3
Income from investment portfolios	873	786
	877	789

4. INVESTMENT MANAGEMENT COSTS

	2020 £'000	2019 £'000
Investment fund management	229	171
Support costs	20	30
	249	201

5. CHARITABLE ACTIVITIES

	2020 £'000	2019 £'000
Masonic		
Care and welfare support	5,100	5,000
Sickness and illness	3,327	2,440
Support Costs	1,802	1,676
	10,229	9,116
Non-Masonic		
Medical & Social Research Programme	1,137	1,057
Support Costs	10	9
	1,147	1,066

Masonic support of £8,427k consisted of 2,319 grants with a value of £3,327k, net of write back of prior year commitments, made to individual beneficiaries and a grant to the RMBICC to support publically-funded Freemasons in care homes (£5,100k). 8 grants were made to charitable institutions under the Medical & Social Research Programme; these grants are detailed in annex A to these financial statements.

6. **SUPPORT COSTS: 2020**

	Cost of Generating Funds	Investment Management	Masonic	Non-Masonic	Total 2020	Basis for Allocatio
	£'000	£'000	£'000	£'000	£'000	
Relief Chest - Fundraising	27	0	0	0	27	(a)
Fundraising	12	0	0	0	12	(a)
Legacies	20	0	0	0	20	(a)
Masonic Support - Grants	0	0	327	0	327	(a)
Masonic Support - Advice & Support	0	0	270	0	270	(a)
Masonic Support - Provincial & Volunteers	0	0	113	0	113	(a)
Relief Chest - Charitable	0	0	100	0	100	(a)
Community Support & Research	0	0	0	7	7	(a)
Strategic & Impact	0	0	79	0	79	(b)
Executive	29	0	208	1	238	(c)
Finance	13	20	185	0	218	(c)
Digital & Technology	0	0	52	0	52	(b)
Human Resources	0	0	52	0	52	(b)
Communications	0	0	243	1	244	(b)
Governance	0	0	89	0	89	(b)
Facilities & Administration	0	0	105	0	105	(b)
Administration and Support	0	0	130	0	130	(b)
Facilities & Admin - Ruspini House	0	0	0	0	0	(b)
Other	(1)	0	(151)	1	(151)	
	100	20	1,802	10	1,932	

Basis for allocation

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

Auditor's remuneration of £13k (2019: £13k) is included in support costs to charitable activities.

6. SUPPORT COSTS: 2019

	Cost of Generating Funds	Investment Management	Masonic	Non-Masonic	Total 2019	Basis for Allocation
	£'000	£'000	£'000	£'000	£'000	
Relief Chest - Fundraising	100	0	0	0	100	(a)
Fundraising	29	0	0	0	29	(a)
Legacies	12	0	0	0	12	(a)
Masonic Support - Grants	0	0	320	0	320	(a)
Masonic Support - Advice & Support	0	0	255	0	255	(a)
Masonic Support - Provincial & Volunteers	0	0	109	0	109	(a)
Relief Chest - Charitable	0	0	110	0	110	(a)
Community Support & Research	0	0	0	6	6	(a)
Strategic Development & Special Projects	0	0	71	0	71	(b)
Executive	27	0	195	0	222	(c)
Finance	11	30	165	0	206	(c)
Information Technology	0	0	40	0	40	(b)
Human Resources	0	0	39	0	39	(b)
Communications	0	0	246	1	247	(b)
Governance	0	0	79	0	79	(b)
Facilities & Administration	0	0	73	0	73	(b)
Administration and Support	0	0	142	0	142	(b)
Facilities & Admin - Ruspini House	0	0	0	0	0	(b)
Other	(1)	0	(168)	2	(167)	
	178	30	1,676	9	1,893	

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

7. STAFF COSTS

The Charity employed no staff during the year (2019: None). Staff recharges from the MCF to the Charity are included within the management charge analysed in note 6 above.

No trustees received remuneration from the Charity during the year (2019: £Nil). No trustees' expenses were incurred during the year (2019: £Nil).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

8. INVESTMENTS

	March 2020		March 2019	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Fixed Asset Investments				
- Managed funds				
MCF CAIF	21,729	21,729	33,235	33,235
CCLA Property Fund	3,587	3,587	3,494	3,494
	25,316	25,316	36,729	36,729
Current Asset Investments				
- Managed funds				
RLAM Cash Reserve funds	22,756	22,756	21,227	21,227
	22,756	22,756	21,227	21,227
	48,072	48,072	57,956	57,956

MOVEMENTS IN INVESTMENTS

Balance at 1 April 2019	57,956	57,956	61,350	61,350
Additions	8,970	8,970	92,724	92,724
Disposals	(18,337)	(18,337)	(95,595)	(95,595)
Transfers from/(to) group undertakings	0	0	0	0
Investment income reinvested	844	844	339	339
Management fees charged to the fund	(206)	(206)	(118)	(118)
Gains/(losses)	(1,155)	(1,155)	3,092	3,092
Changes in cash balances held	0	0	(3,836)	(3,836)
Balance at 31 March 2020	48,072	48,072	57,956	57,956

RECONCILIATION TO SOFA

Gains/(losses) on listed investments	(1,155)	(1,155)	3,092	3,092
Gains/(losses) within cash balances held	0	0	(158)	(158)
	(1,155)	(1,155)	2,934	2,934

9. DEBTORS

	March 2020		March 2019	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Prepayments and accrued income	3	3	61	1
Other debtors	81	46	260	260
	84	49	321	261

10. CREDITORS

	March 2020		March 2019	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Falling due within one year				
Grants payable	1,912	1,912	1,703	1,703
Amounts owed to group undertakings	187	187	423	423
Accruals and deferred income	0	0	0	0
	2,099	2,099	2,126	2,126
Falling due after more than one year				
Grants payable	886	886	898	898
	886	886	898	898

11. RELATED PARTY TRANSACTIONS

The Charity controls the Royal Masonic Hospital Charity (RMHC) through common trustees. During the period grants totalling £130,000 (2019: £414,000) were made by RMHC to the Charity. The majority of this related to the transfer of legacies received by the RHMC. 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.

12. 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 2020 is shown as follows:

	2020 £'000	2019 £'000
Gross income	107	148
Donation to parent charity	(130)	(414)
Net movement in funds	(23)	(266)
Total funds brought forward	62	328
Total funds carried forward	39	62

Represented by net assets as follows:

Debtors and prepayments	34	60
Cash at bank and in hand	5	2
Amounts owed by group undertakings	0	0
	39	62

13. LEGAL STATUS

The Charity is a company limited by guarantee and has no share capital. The liability of the member in winding up is limited to £1.

14. POST BALANCE SHEET EVENT

The financial impact from the Covid-19 pandemic has been assessed for the new financial year and beyond. Significant reductions of income are expected in the short term resulting from the suspension of lodge activities impacting upon voluntary income donated to the Charity. The Charity has collaborated with the masonic community in responding to the suffering caused by the pandemic and will support the MCF's contribution of an additional £2.9 M through charity grants during the course of the financial year ending 31st March 2021. The Charity has ample liquid reserves to fund its operations through an extended period of recovery. Cash flow projections show expected cash and liquid investment balances of circa £22 M as at 31st March 2021, sufficient to fund a further two years' operations without resorting to withdrawing funds from the MCF CAIF.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Masonic Charitable Foundation (Registered Charity No. 1164703, Company Number 09751836), which is the sole member of the company. 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	Grant	Purpose
Research		
Action on Hearing Loss	169,950	Medical Research PhD Studentshi
British Lung Foundation	105,000	Medical Research PhD Studentshi
Nottingham Breast Cancer Research Centre	95,996	Medical Research PhD Studentship
Royal College of Psychiatrists	174,000	Medical Research PhD Studentshi
University College London	162,165	Medical Research PhD Studentship
University of Oxford	126,897	Medical Research PhD Studentshi
University of Oxford	130,196	Medical Research PhD Studentshi
Versus Arthritis	159,841	Medical Research PhD Studentship
Total	**1,124,045**	

Overall Total	**1,124,045**
Discounting of long term grants (movement)	12,901
Per Accounts	**1,136,946**