



THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021

Caring is our way of life

Registered Charity No: 1163245 | Company No: 1293566
60 Great Queen Street
London, WC2B 5AZ
www.rmbi.org.uk

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FINANCIAL OVERVIEW

An unforeseen economic and social upheaval of this magnitude does not come with a pre-defined application of leadership principles and is a test of the character of an organisation. We are tremendously proud of how our Senior Leadership Team and colleagues throughout the organisation rose to the unprecedented impact of the pandemic and stayed true to our values and committed to serving our residents.

We had many colleagues working tirelessly to turn our Homes into COVID-safe environment. Our Procurement and Property teams launched an emergency operation to buy personal protective equipment (PPE) and swiftly deliver it to our Homes for our employees and residents when it was in short supply, spending nearly £1.5m. Practically overnight, we built an infrastructure to implement and monitor all COVID-19 Government guidelines to make our Care Homes safe, whilst providing required support for all our staff who were working 24/7 caring for residents under highly stressful and very difficult circumstances.

In spite of the impact of the COVID19 pandemic and the related operational intensity with which we had to steer our financial and other resources, we kept our focus on our long-term, regionally-aligned strategic imperatives. As the world changed over the course of 2020, we adapted to new ways of working and endeavoured to provide support to our residents and stakeholders during this challenging period. Our performance in 2020/21 ensured that we were able to continue delivering value for our residents.

During the financial year, the income from Charitable Activities reduced by 7% due to a reduction in occupancy levels as a direct result of the COVID-19 pandemic. However, this was offset by additional grants received from our parent Charity, Infection Control grants and Corona Virus Job Retention Scheme grants. The total income, inclusive of donations and grants, of £58.1m was 11% higher than the previous year. As in previous years, payments from Local Authorities towards the care of our supported residents were far lower than the cost of providing high quality care. As a result, the company provided charitable support for residents of nearly £12m to cover this shortfall.

Generous donations from Masonic community of £11m, channelled through our parent charity Masonic Charitable Foundation (MCF), strengthened our balance sheet and liquidity position to achieve operational targets and enabled effective service delivery during this unprecedented period.

The expenditure on Charitable Activities registered a 3% increase, compared to the last year, despite the additional staff requirement to look after very sick residents during pandemic and also increased cost of medical and personal protective equipment.

The consolidated net operating results for the year was a surplus of £3.7m compared to the previous year's operating deficit of £7m. We have had a good start to 2021/22 financial year with higher than projected occupancy levels, and we are cautiously optimistic for the year ahead.

In order to achieve our strategic priorities, RMBI Care Company invested nearly £6m on our brand new care home, which is being built in Berkshire and expected to be fully operational in October 2021. A further £2m was invested in improving existing Care Homes by refurbishing facilities and maintaining properties to the highest possible standards.

The value of the company's investment portfolio, inclusive of social investments, increased by 4% to £36.5m. The net assets of RMBI Care Company as at the end of the year was £121m.

It is increasingly clear that the pandemic will not be over anytime soon and complex operational challenges are ahead of us for some time to come. However, we remain committed to continuing to serve our residents by providing high quality care, whilst maintaining a safe working environment for our staff.

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REPORT OF THE TRUSTEES

The Trustees -who are also Directors of the Charity for the purposes of the Companies Act 2006 - present their combined Directors and Trustees report with the financial statements of the Charity for the period ended 31 March 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Grand Officers, Trustees and Directors

Grand President

The Most Worshipful the Grand Master, HRH the Duke of Kent, KG, GCMG, GCVO, ADC

Deputy Grand Presidents

The Pro Grand Master	MW Bro PG Lowndes
The Deputy Grand Master	RW Bro J Spence
The Assistant Grand Master	RW Bro Sir David Wootton

Grand Vice Presidents

RW Bro DA Buswell	VW Bro CJ Caine
W Bro PE Cornish	RW Bro JE Moore
VW Bro JH Newman OBE	RW Bro RJ Race DL
W Bro J Reuther	VW Bro Willie Shackell CBE
VW Bro RJ Wade	W Bro D Vine
W Bro RW Marks	Mr DR ff Innes

RMBC Care Company Board Members (Trustees)

Sir Paul Williams OBE KStJ DL	Chairman (Resigned on 31 March 2021)
John Boyington CBE	Deputy Chairman
Sushil Radia	Treasurer
Ian Newby	Director
Mark Constant	Director
Charlotte Miller	Director
Sylvia Short OBE	Director
David Southern	Director
John Smith	Director
David Snowdon	Director
Chris White	Director
Martyn Yeats	Director
Malcolm Vede	Co-opted Trustee

The Masonic Charitable Foundation (MCF), as the Corporate Trustee, appoints the Chairman of the Board of RMBC Care Company and approves all other appointments.

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Appointment of Trustees

The Charity has adopted the Charity Commission's guidelines for best practice and has amended the selection process accordingly.

Recruitment of Trustees

The Trustees of RMBI Care Co are appointed by the RMBI Care Co Nominations Committee and selected for their skills, experience and status within areas of expertise required by the charity. A review of Charity Governance and an annual skills audit informs any gaps identified. Additional Trustees may be co-opted to the maximum of 12 Trustees.

Succession Planning

One third of Trustees stand down each year and can be re-elected for a further term of three years for three cycles up to nine years. Evaluation of the Trustee experience is carried out annually to ensure assessment and review of role.

Induction and Training of Trustees

New Trustees and Co-opted Members receive a full induction and information on the role requirements and key information on the organisation. Training modules have been introduced through e-learning for all Trustees to undertake, with GDPR and Diversity and Equality Training identified as mandatory. In addition, Trustees receive Safeguarding training from an external training professional.

Principal Committees

Audit and Risk Committee

Mark Constant	Chairman
Sushil Radia	Treasurer
Chris White	Trustee
John Smith	Trustee
Martin Bevan	Committee Member

Property and Development Committee

David Southern	Chairman
Ian Newby	Trustee
Sylvia Short OBE	Trustee
Martyn Yeats	Trustee
Derek Weidner	Committee Member
Neil Parlett	Committee Member

Finance Committee

Sushil Radia	Chairman
Chris White	Trustee
Mark Constant	Trustee
John Smith	Trustee
Martin Bevan	Committee Member

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Care and Quality Committee

Ian Newby	Chairman
Sylvia Short OBE	Trustee
David Snowdon	Trustee
Martyn Yeats	Trustee
Sarah Sheppard	Committee Member

Senior Leadership Team (Executive Management)

Mark LLOYD	Managing Director
Louise Bateman	Human Resources Director
Kevin Harris	Development Director
Marc Nelson-Smith	Property Director
Lal Ranasinghe	Finance Director
Karen Salley	Care Operations Director
Brett Edwards	Health and Safety Director

Remuneration of Executive Management

The Charity's policy is to reward Executive Management according to their expertise and experience. The Executive Management's benefit package comprises of a basic salary, pension contribution, car allowance or company car and private health provision.

Basic salaries are reviewed annually against the charity sector as well as the wider professional market and information is presented to the RMBI Managing Director and Chairman for their consideration and then to the MCF Remuneration Committee. No member of the Executive Management is able to make a decision on their own pay.

Actuaries and Consultants

First Actuarial LLP, Mayesbrook House, Lawnswood Business Park, Leeds, LS16 6QY

Auditors

Knox Cropper LLP, Chartered Accountants, 153-155 London Road, Hemel Hempstead, Hertfordshire, HP3 9SQ

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

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Solicitors

Bates Wells Braithwaite, 10 Queen Street Place, London, EC4R 1BE

RadcliffesLeBrasseur, 85 Fleet Street, London, EC4Y 1AE

Forbes Hall, New City House, 71 Rivington Street, London, EC2A 3AY

Womble Bond Dickenson, 4 More London Riverside, London, SE1 2AU

Governance Structure and Management

The Royal Masonic Benevolent Institution Care Co is a company limited by guarantee, having no share capital. It is governed by Memorandum and Articles of Association.

Objects

The Objects of the Charity are to relieve the need, suffering and distress of the Beneficiaries and for that purpose:

- (a) To support Beneficiaries who are in need of financial assistance from the Charity;
- (b) To provide Beneficiaries with accommodation in residential care facilities or sheltered accommodation and make available such care as may be required; and
- (c) To provide such other benefits to Beneficiaries as the Trustees shall from time to time think fit.

The prime objective is achieved by running fifteen care homes, one learning and or/physical disability service in England and two care homes in Wales, and financially supporting those who are unable to pay for the full cost of care.

The Charity has a multi-tier structure with each of the Directors responsible for the management and setting of objectives for their teams informed by the annual Corporate Plan.

Trustees

The Trustees as Charity Trustees and Directors under the Companies Act have control of the Charity and its property and funds.

Decision Making

The Strategic Direction of the RMBI Care Co is set by the Board of Trustees who meet bi-monthly. The delivery of the Board approved Corporate Plan rests with the Senior Leadership Team (SLT), which includes the safe delivery of care and the meeting of agreed budget requirements. Full and detailed reports by the Executive are presented bi-monthly to the Board on progress made against key strategic and operational targets. The SLT meet bi-weekly to review and manage all aspects of the business delivery.

Risk Management

A Corporate Risk Register is overseen by the Managing Director and Senior Leadership Team (SLT) which includes monthly analysis and quarterly review including the identification of key risks to the business. This is monitored by each Committee, with headline risks reported to the RMBI Care Co Board and to the parent body, the MCF Board, to ensure clear governance

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visibility and oversight. Through the Property Director, clear policy and procedures are in place for the management of all tenders and procurement against agreed standards.

All 18 care homes are regulated and inspected by the CQC in England and CIW in Wales with published reports in the public domain. The RMBI Care Co also undertakes its own internal inspections for care, health & safety, property, and employment matters. Each care home has in place a Continuous Improvement Plan (CIP) which is informed by external and internal inspection. A strong and robust set of regulatory outcomes were achieved during the year, placing the RMBI Care Co in the top quartile of Home Providers.

Governance and Committee Structure

Four Committees are constituted, each reporting to the RMBI Care Company Board.

Each Committee meets on a quarterly basis (supported by the relevant lead Director), with each Chair reporting back to the main Board on key matters.

Each Committee has its own dashboard to highlight key performance indicators which, in turn, are reported to the main Board.

Corporate Financial Management

The Charity has four subsidiaries: RMBI Trading Ltd, Stability Investments Ltd, RMBI (Settlement) Limited and 19/21 GQS Limited whose boards contain Trustees that serve on the RMBI Care Company Board and Senior Leadership Team members.

- RMBI Trading Ltd – a design and build Project Management Company established to develop all our new build properties.
- Stability Investments Ltd – Established for the development of one of the Charity's properties.
- RMBI (Settlement) Limited – Established in August 2017 to purchase welfare services, i.e. for the provision of residential and other care, from Local Authorities, Government Departments and other agencies.
- 19/21 GQS Limited – Established in January 2019 to manage and operate properties.

Indemnity Insurance

Indemnity Insurance is in place for Trustees under the umbrella policy of the MCF.

Objectives and Activities

Mission

The RMBI Care Co provides residential, dementia, respite and nursing care across 17 locations for older people and younger learning and or/physical disability services at one location with a combined total of 1,106 placements. Our mission is to provide unique individual care, with kindness, support and trust helping deliver a service that we can all be proud of in making a real difference to people's everyday lives.

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Achievements

Successful adaptation of the Charity during the pandemic to ensure the safety of residents, staff, and families. Over £1m spent on PPE provision with robust governance responding at all time to Government Guidance in the crisis. 1 in 5 Residents who contracted Covid-19 sadly passed away and all staff recovered. Creative and innovative thinking with POD rooms at every care home to protect the human rights of residents and families and continued access through the crisis. Adaptation of the Head Office to Home Working and zoom video conference calls. A recovery budget set which enabled the charity to weather the crisis of covid-19.

During 2020/21 around 430 new admissions took place with the average age on entry now 90 and with 35 individual residents now over 100 years of age. The level of admissions was reduced from previous years due to the impact of covid-19

Operational success included delivering strong compliance outcomes through the regulators, CQC (England) and CIW (Wales). 3 Homes achieved 'outstanding' and 12 'good' in England and the 2 welsh homes were 'fully compliant'.

The Development Team has overseen the first new build care home in a decade at Lord Harris Court, Reading with opening in 2021 and progression of a Welsh Dementia House at Queen Elizabeth Court, Llandudno. A strong research and evidence base built up for entry into the Retirement Community Market.

The Property Team continued to roll out of comprehensive health and safety works at a number of Homes connected to fire compartmentalisation and asbestos removal, with particular success in progressing major firework upgrades at James Terry Court, Croydon through works undertaken by Balfour Beatty, Scarbrough Court, and Cornwallis Court.

The Human Resources Team achieved 90% mandatory training outcomes across all the Homes, the progression of mental health and well-being initiatives to support our workforce during the covid crisis, and delivered on a published Gender Pay Gap Report which confirmed appropriate targets were met.

The Finance Team successfully upgraded Sun accounting system to its latest operating platform. The joint website for Care and Finance is being developed extending the current enquiry website into a real-time customer interface. The ground work for Purchase-To-Pay (P2P) invoice and supplier management system has been completed and tender evaluation is taking place with the intention of fully implementing it in 2021/22.

Beneficiaries and Public Benefit

The Charity takes great care to ensure that applications for residence in the care homes are considered fairly and without prejudice: based on actual assessed need and a new dependency tool. The majority of admission decisions are made and applied by individual Home Managers. Only exceptional cases relating to financial hardship are referred to Trustees for approval. Up to 20% of all placements are for non-freemasons, reflecting the diversity and added value to the wider community of our services.

The services provided are available to those with financial means or limited financial resources. The RMBI Care Co complies with the Charging for Residential Accommodation Guide (CRAG) issued by the Department of Health. The resident numbers are split broadly 65:35 into those who are self-funding and those who are placed and funded by Local Authorities.

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Activities

The primary activity is the provision of 1,106 registered beds for residential, dementia and nursing care in the 17 Homes throughout England and Wales and 1 Home for people with a physical and or learning disability. The Charity employs around 1,500 staff to meet support and care needs.

Non Operational Properties

In addition, the Charity runs approximately 72 non-operational properties, including some sheltered units for those who seek independence with minimal care provided.

Planning approval has been requested to refurbish ten apartments at Connaught Court, York. The Charity is looking to dispose of its interests with land held at Bocking in Essex with the intention to dispose in 2021/22.

The charity holds the freehold of 19/20 Great Queen Street which were the former head offices. Through a Special Purpose Vehicle with Latis Homes, the Stability Investment Limited, a subsidiary, was established to build four apartments for sale and the offer of a leasehold shop front. Walker Slater remain the leasehold shop front at 19 Great Queen Street, with one apartment sold and the three remaining to be marketed for sale in 2020/21.

Impact Report – Our Covid Experience

A special 2020 Edition was published on our website to document our Covid-19 Experience documenting the difference made to peoples' lives by the response of the charity to the crisis.

Key Performance Indicators (KPIs)

Dashboard KPIs across all the RMBI Care Co services have been introduced as a means for the Board to monitor progress in all key areas of the business. Overarching dashboards for Operations, HR, and Property are in place, including health & safety requirements and monitoring. Monthly Performance Targets on Occupancy and Staff Spend are set with monthly KPI targets.

Valuing Our Staff

The culture and values of the charity remain underlined by the core values of being Kind, Supportive and Trusted.

All Directors ensure they have regular team meetings to provide their functional teams with an understanding of our financial performance and strategic business plans. In addition to this there are a number of internal communication approaches including bi-monthly virtual staff newsletter which includes key updates from the Managing Director.

There are two staff forums both chaired by the HR Director, meeting at least twice a year. The one for our Homes based staff is a group of nominated individuals from all locations representing colleagues, and is attended by members of the senior management team as well as the Managing Director and Care Operations Director. The staff forum receives business updates including information on the Charity's performance, sector comparisons, projects and other initiatives. The majority of the meeting is to listen to the staff representatives and receive their views, questions and suggestions. Our Head Office and National roles have a joint staff forum with colleagues from our Parent Charity, the Masonic Charitable Foundation, which is structured in the same way.

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Bi-annually we issue an Employee Engagement Survey to gain views and comments from our staff on their views of working for the Charity. The last survey was launched in 2019 and we were pleased to receive scores that reflect high engagement and in comparison to our sector scores that were above the median quartile and in some areas at the upper quartile level. In 2021 this objective was missed due to covid-19.

At Home level our Regional Operations Managers and HR Business Partners offer the opportunity for staff to meet them and discuss matters that are important to them via staff surgeries. Each Home Manager holds regular Staff Meetings to provide their teams with local home updates as well as gaining staff views.

Since 2014 we have had an employee recognition scheme in place called OSKAR which stands for "Outstanding Service Kindness and Respect". Nominations are received from management, staff, relatives and residents where they explain the reason for nominating an individual and how they have demonstrated the principle of the award. These are reviewed each month by the Directors, who vote for a winner, who then receives a monetary reward. Each of the monthly winners are then reviewed to determine the annual winner, this individual also receives a monetary reward from the Charity in recognition of his/her outstanding contribution.

All employees receive an Employee Assistance Programme which provides them with access to a range of health and wellbeing platforms, counselling support and discounts to a range of UK retailers.

Relationship with Suppliers and Contractors

Building strong relationships with suppliers and contractors enables the Charity to maximise the provision of services to our residents. Our Procurement, Development and Care Operation teams closely co-ordinate with the supply chain and develop deeper and strategic relationship with key suppliers and contractors.

Our suppliers and contractors are part of the Charity's strategic decision making process with regard to procurement and new build projects. We share insight into what our current and future residents want and our partnership with contractors and suppliers delivers success through value creation ensuring new services incorporate best practice, are fit for purpose, and as far as is practicable are future proofed.

The Charity ensures that the main suppliers and contractors are certified, IR35 compliant, having gone through a rigorous vetting process including quality, financial, sustainability and modern slavery checks in order to ensure that the right products and services are delivered to our care homes. The payment to suppliers and contractor are made well within the agreed credit terms.

Association of Friends and Volunteers

The Charity owes a great deal of debt and gratitude to the tremendous support and work of volunteers and the links each Home has with Associations of Friends. A big thank you is required to each and every one of the Freemasons and their families, who are members of the Associations of Friends who work very closely with our care homes throughout England and Wales. In more ways than it is possible to express here, each member provided comfort and reassurance to our residents; particularly those with minimal or no contact with relatives. The principal link with volunteers remains Doctor John Reuther, ably assisted by his wife Maggie. Thanks are due to both for their continued efforts throughout the year.

Freemasonry Support

Acknowledgements and thanks are made to the wider support received from the freemasonry community in England and Wales. Through our parent company the Masonic Care Foundation

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(MCF), grant support is received annually to support freemasons and their dependents placed in our Homes and funded by Local Authority fees.

Special thanks in 2020/21 are made to the Provinces of Northumberland and South Wales who remain in festival to the Charity.

Investing for the Future

RMBI Care Co joined ARCO (Associated Retirement Community Operators) and has undertaken modelling work in order to enter the retirement community sector in the future, offering leasehold property with care and support provided. These plans will be progressed and reviewed in 2021/22.

Sharing Best Practice

At a national level, the RMBI Care Co continued to work closely with regulatory and representative bodies to ensure full awareness of all the latest developments in the sector. Links with research bodies exploring latest thinking in dementia care and the advent of digital technologies are being pursued (including the introduction of hand-held smart phone technology for care workers). Through our trade associations, Care England and ARCO the RMBI Care Co keeps up to date with current policy and thinking in the social care and retirement community sectors.

Plans for the Future

Strategic Planning was put on hold in 2020/21 as the charity focused on protecting our Beneficiaries from Covid-19. Despite this strong compliance with CQC and CIW was maintained and the new build care home at Reading progressed.

During 2021 the Board of Trustees will hold a Strategic Planning Day to review how the charity can extend its offering to primary Beneficiaries', entry into the retirement community market, consider new commercial business cases for new build care homes and enhance and improve the Estate.

Donations and Fundraising

Every pound donated to the RMBI Care Co goes towards looking after the people who use our services. Additionally, we cannot forget staff members in the Homes who continue to do a fantastic job supporting the RMBI Care Co through organising various fundraising activities, demonstrating that every penny really does count.

Legacy Gifts

Legacy gifts contribute a significant amount to our charitable income and are gratefully received.

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Investment Performance

The parent charity, Masonic Charitable Foundation (MCF), implemented its global investment strategy on behalf of the RMBI Care Co. The 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, Supranational and mortgage-backed securities. The performance objectives of the three funds are:

- Short Term Money Market Fund: SONIA
- Cash Plus Fund: SONIA plus 0.50% gross of fees
- Enhanced Cash Plus Fund: SONIA plus 1.00% 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 is 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 2021 are as follows:

Asset Class	Strategic Allocation	Benchmark	Actual 31 st March 2021
Cash	0.00%	SONIA	3.70%
Fixed Income	7.50%	FTSE UK World Gov. Bond Index GBP	5.10%
International Equity	28.75%	MSCI World ex UK NR GBP	55.50%
Int’nl Equity GBP hedged	12.00%	MSCI World ex UK Hedged NR GBP	5.10%
U.K. Equity	18.00%	MSCI UK Equity NR GBP	18.60%
Emerging Market Equity	12.50%	MSCI Emerging Markets Equity NR GBP	3.10%
Global Equity Hedge	13.75%	HFRX Global Equity Hedge GBP	0.00%
Alternative Investments	3.75%	HFRX Global Hedge Fund GBP	6.80%
Property	3.75%	IA UK Direct Property TR	2.10%
	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:

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	MCF CAIF	RLAM Short Term	RLAM Cash Plus	RLAM Enhanced	CCLA
Fund at 31 st March 2021	£25.30 M	£0.25 M	£0.91 M	£0.37 M	£0.0 M
Investment approach	Steady Growth Multi-Asset	Capital Protection	Capital Protection	Capital Protection	Income & long-term Capital Growth
Benchmark	Composite	SONIA	SONIA	SONIA	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	27.90%	0.17%	1.38%	2.63%	3.00%
Benchmark return for year	26.00%	0.06%	0.06%	0.06%	(5.00)%
Peer group return for year	24.50%	N/A	N/A	N/A	N/A
3 year return	24.70%	0.57%	0.96%	1.50%	12.50%
3 year benchmark	20.80%	0.41%	0.41%	0.41%	(4.10)%
3 year peer group	19.10%	N/A	N/A	N/A	N/A

Worldwide stock-markets have recovered strongly since the collapse in March 2020, where the CAIF fell to a low point of £88.36 per unit on 23rd March. As at 31st March 2021, the CAIF was valued at £117.58 per unit.

Streamline Energy and Carbon Reporting

The following table summarises the RMBI Care Company (RMBICC) reporting requirements under the Government's Streamlined Energy and Carbon Reporting (SECR).

UK Greenhouse gas emissions and energy use data for the period 1 April 2020 to 31 March 2021	Current Year 2020/21	Previous year 2019/20	Units
Energy Consumption used to calculate emissions	27,465,824	28,155,804 *	kWh
Energy Consumption break down			
Gas	21,865,671	22,237,373	kWh
Electricity	5,245,156	5,322,360	kWh
Purchased Fuel (Generators)	7,473	N/A	kWh
Transport fuel	254,747	278,929*	kWh
Business travel in employee-owned vehicles	92,777	317,142*	kWh
Scope 1 emissions			
Gas consumption	4,020	4,101	tCO ₂ e
Owned transport	63	98	tCO ₂ e
Other Fuel (generators)	1.7	N/A	tCO ₂ e
Scope 2 emissions			
Purchased electricity	1,223	1,360	tCO ₂ e
Scope 3 emissions			
Business travel in employee-owned vehicles	23	82	tCO ₂ e
Total Gross emissions	5,331	5,641	tCO ₂ e
Intensity Ratio	4.76	5.75	tCO ₂ e/FTE
<i>*Figures from last year differ slightly as company and grey fleet are now shown as separate figures and 2020 conversion factors specific to SECR converting mileage to kWh were used</i>			

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Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used 2020 UK Government's Conversion Factors for Company Reporting 2020.

Some energy data (3 flats for 20 Great Queen Street) have been excluded as no data was available on time for reporting. Some of the mileage for our company fleet have also been estimated.

Intensity ratio

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per full time employee (FTE). During 2020/2021 the number of FTE for RMBI was 1,119.

Energy efficiency Actions

Since March 2019, RMBI has been working with Lantern (UK) Ltd as their trusted sustainability partner. Due to the pandemic and the nature of our work as care providers we had to delay launching our sustainability strategy. We are currently reviewing our targets and commitments.

Our overall emissions for 2020-21 slightly decreased compared to the previous year, and this is mainly due to the reduced mileage from both our company and grey fleet. This year we have also added oil used for our generators which was omitted previously. This is mainly estimated based on the number of hours per year the generators are turned on for testing. Our Scope 3 emissions arising from mileage claims in employee-owned vehicles have dramatically reduced, most likely due to the Covid-19 travel restrictions in place for much of the year. During the reporting year we have committed to a flexible working policy and we will continue to do so for a further year and are restricting travel to 'essential only' to reduce costs.

We are replacing all light fittings with LED where possible on a rolling program. For 2021/22 we will be investing in on site renewables and we will put a 15kWh solar PV system on our Exeter care home and in 2022/23 will replace all vehicles with PHEV or BEV.

Section 172 (1) Statement

As outlined under various sections of this report, the Trustees of the Charity are well aware of their duty under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to provide the success of the Charity for the benefit of its members as a whole and, in doing so, to have regard (among other matters) to:

- the likely consequence of any decision in the long term,
- the interest of its employees,
- the need to foster the business relationship with suppliers, residents and their families and others,
- the impact of the operations on the community and the environment,
- the desirability of maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Charity.

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Financial Review

The summary Statement of Financial Activities for the year ended 31 March 2021 is set out below.

Income

The total incoming resources amounted to £58.1m (2018/19: £52.2m). The major streams of income are detailed below:

Streams of income	2020/21 £m	% of income	2019/20 £m
Income from Residents' Fees	42.1	73	45.4
Donations, Legacies and Grants	14.6	25	5.3
Investment & Other Income	1.4	2	1.5
Total	58.1	100	52.2

A total of £126k (2019/20: £144k) was spent in generating donations and investment income.

Resources Expended

Operating expenditure for the year amounted to £58.8m (2019/20: £57.1m) whilst the Governance costs amounted to £0.7m (2019/20: £0.7m).

Care Homes' running costs registered an above inflationary increase of 3% compared to the last year despite the additional staff requirement to look after very sick residents during pandemic and also increased cost of medical and personal protective equipment.

In our care homes and throughout the social healthcare sector, complexity in the care needs of residents has been increasing. In addition, ongoing regulatory changes have driven a need for higher staffing levels to ensure provision of high quality care. The industry-wide difficulty in recruiting qualified care staff has also contributed to the above cost increase.

Net Operating Position

Net operating surplus of the RMBI Care Co amounted to £3.7 million (2019/20; deficit of £7.0m). In addition, the actuarial gain on the defined benefit pension scheme amounted to £0.07m (2019/20: £0.97m).

The overall net movement in funds for the year was an inflow of £3.8 million (2019/20; outflow of £6.0m).

Capital Development

During 2020/21 £6.8 million was spent on capital programmes.

The significant project expenditures during the year were:

- New build project (Lord Harris Court): £5.83m
- Cornwallis Court - building refurbishment: £0.27m
- James Terry Court - building refurbishment: £0.13m
- Connaught Court – property improvements: £0.13m

In addition, £0.8 million was invested on computers and equipment to enhance operational efficiency.

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COVID-19 and the Post Balance Sheet Impact:

As a social care provider we were fully impacted by the consequences of Covid 19 during 2020/21 with three distinct waves recorded including the Kent Variant in early 2021. Some 450 residents tested positive and regretfully and sadly 110 of this number passed away as a consequence. We also saw a similar number of staff with a positive test with all employees making a full recovery. The practical consequence saw our occupancy drop from 92% to 80% during the year as any Home with an outbreak was placed under an embargo by Public Health England and Wales. This % drop appears to be consistent across the social care sector with most research and market reports indicating a full recovery by 2023.

Within this reality the RMBI Care Co responded well both in terms of financial and service delivery in the crisis. A recast budget in March 2020 predicted a likely loss of income exceeding £7m with the three sources of income aiding this shortfall. Government grant support, an emergency grant from our parent MCF, and an overdraft facility through Barclays. By year end it was pleasing to report the overdraft facility had not needed to be used reflecting the strong recovery of the charity in its occupancy and tight management of costs. At the juncture of writing this report the 2021/22 budget remains a recovery strategy as the charity looks to return to normal trading levels as experienced pre Covid by 2022/23.

The Service response has been strong and appropriate at all times. Early on in the pandemic the Board of Trustees took the immediate action to expend in excess of £1m on Personal Protective Equipment (PPE) thereby ensuring the safe delivery of care to our residents and protection of our employees at all time. At every stage Government Guidance has been fully adhered too including directives on visitations to care homes and the meeting of all reporting requirements. The charity has at all times recognised the importance of upholding Human Rights and looked to challenge constructively where appropriate any guidance from Public Health England or Wales where family access has been denied. In such cases we have requested written records from statutory agencies to confirm verbal instruction given. The charity has been innovative creating POD rooms at every care home to enable family visits to continue in a safe and secure manner.

In March 2021 98% of all residents had been vaccinated with the remaining 2% opting to decline and 82% of the workforce had also been vaccinated. Again at the time of writing the report Government guidance is pending on the mandatory requirement for all employees to be vaccinated.

The income from Charitable Activities reduced by 7% due to a reduction in occupancy levels as a direct result of the COVID-19 pandemic. However, this is offset by additional grants received from our parent Charity, Infection Control grants and Corona Virus Job Retention Scheme grants. The Homes operating costs were slightly above the inflationary increase mainly as a result of emergency purchase of Personal Protective Equipment (PPE) and increased staff costs to look after Covid-19 affected residents. Our parent Charity Masonic Charitable Foundation made an additional grant of £5m to support the Charity's operational cash flow.

The Trustees have evaluated the impact of the pandemic on the operations of the charity, which is to provide residential care, nursing care and residential dementia support to older Freemasons, their families and people in the wider community.

The Trustees do not consider there to be any going concern issues and for this reason the financial statements have been prepared on a going concern basis.

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Principal Risks and Mitigation

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

	Risk	Consequence	Mitigation - Likelihood	Mitigation - Impact
1	Pandemic and / or Epidemic Outbreak	<p>Rapid transmission of illness / physical impacts.</p> <p>Significant reduction in operational staff, business critical partners and external services leaving the service unsafe for residents.</p> <p>Loss of life resulting in reduced occupancy, psychological impacts, loss of reputation, financial impacts, loss of Home.</p> <p>Insufficient provision of medical support increasing impacts of pandemic.</p> <p>Inability to operationally manage Home.</p>	<p>Continuity Plan Group (CPG) to manage, monitor and regularly review response to pandemic outbreak.</p> <p>Response protocols, Contingency Plans and Business Continuity Plan to be in place, up to date and regularly reviewed.</p> <p>Procurement team to manage and maintain sufficient stocks of basic PPE.</p> <p>Business Critical Partners / Supplier continuity plans known and kept up to date.</p> <p>Isolation and zoning procedures in place.</p> <p>Management of staff and agency staff movement between different provisions.</p> <p>Safe internal and external visiting spaces for residents and relatives. Pre-screening processes to monitor Home staff and visitors as appropriate.</p>	<p>IPC training and independent auditing provided by external supplier.</p> <p>Regular internal IPC auditing.</p> <p>Continued monitoring of information and guidance issued by relevant authorities / agencies. Liaison with bank staff and agencies to secure sufficient staffing levels.</p> <p>Monitoring of resident and staff health with supporting protocols around relevant signs and symptoms.</p> <p>Safe visitor spaces. Reduction in non-essential footfall.</p> <p>Reduce exposure to vulnerable groups through risk assessment</p>
2	Insurance and legal risks due to pandemic	Poor infection control procedures and placing Residents and Staff at unnecessary risk.	Robust infection prevention and control, and both proactive and response protocols measures in place, reviewed by insurers / brokers.	Confidence of our actions evident in January 2021 meeting with broker on assessing next year's insurance cover and needs. All insurance covers were renewed for 2020/21.
3	Financial viability as a result of Covid-19	<p>Consequence of infection and adverse media coverage of the social care sector leads to dramatic drop in occupancy and demand for placements.</p> <p>Estimated risk a 20%</p>	Recast budget with measures to off-set loss including an emergency £5m MCF Grant and £10m overdraft facilities with Barclays Bank.	Proactive stance on marketing through UGLE, MCF, and launch of new website backed up with positive news stories on innovative thinking including visitor rooms. Recast budget provides a 'worse' case scenario.

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		drop in occupancy or £6m income loss due to a first and second spike of the virus.		
4	Head Office and National Team Function	Immediate loss of access to Head Office and Care Homes.	Excellent planning to implement video conference calling, roll out of laptops, and well-being strategies.	Productivity and culture change extremely positive backed up by good communication strategy – KST.
5	Reduced occupancy	Reduction in income forecast to be c£6m if occupancy drops as low as 70.3%. 777 placements in light of the Covid-19 crisis and subsequent tightening of Local Authority funding of new placements.	Strong communication with the freemasonry communities through UGLE, MCF, PGM's and pro-active statements on website. Investment in partitioned visitor rooms, redecoration programme, and increasing wet rooms at 6 homes. Priority to increase dementia beds where possible.	Close tracking of enquiry activity by our Placement Officer and maximising of Government support grant in order to partly offset lost income. New website launched in August 2020 to further promote the charity and offering.
6	High and above-average levels of staff sickness and absence	High agency usage and increased pay bill; residents not receiving expected care from key workers; long term impact on staff wellbeing and teamwork	Sickness policy for long term and short term/frequent absences; regularly monitored with HR BP's and at long term absence of 21 days or more introduction of Occupational Health Professional to contact staff member to encourage return to work. An Employee Assistance Programme (EAP) supported by a range of cash plans and physiotherapy and alternative treatments is offered to all staff. This has been well received. Wellbeing at Work booklet issued and ongoing initiatives are developed. booklet issued and ongoing initiatives are developed.	Invoking the appropriate disciplinary or capability policy. Frequent monitoring, as it is expected staff will become unwell however how they are supported and managed provides clear messages to others about RMBI's approach to managing wellbeing. Monthly dashboard reports indicate if above average sickness levels are occurring. Local counsellors are appointed close to each Home to enable additional support for anyone needing this
7	Temporary loss of staff	Staff on sick leave. Infection transferring to residents. Shortage of staff and increase in residents' death. Inability to safely	Infection control training as part of mandatory training. Staff following high hygiene practises. Sufficient stocks of and access to appropriate	Use of bank and agency staff, and requesting unaffected staff to increase shifts worked. Home closed to visitors apart from essential healthcare teams.

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		<p>deliver care to residents</p> <p>Increased pressure on remaining staff leading to further staff absence</p>	<p>Personal Protective Equipment.</p>	<p>Constant monitoring and deep clean undertaken.</p> <p>Review completed of Infection Control and new policy issued.</p> <p>The IPC Lead role is a member of the Homes Management team.</p>
8	<p>High and/or unplanned staff turnover and lack of candidates available in market</p>	<p>Impact on sustainable person centred care to residents; ability to deliver local/departmental and corporate business plans</p>	<p>Annual salary reviews and above average pay across the care teams; market rate pay for all other functional roles; offer of exit interviews to understand reasons; employee engagement survey to monitor levels of staff engagement at all locations/departments; praise and recognition schemes in place; investment in management teams both first and second line levels; annual appraisals which provide an opportunity to discuss career aspirations and supervisions which enable line managers to pick up on any concerns. Recruitment strategies developed for each Home in conjunction with the ROM/HRBP and Marketing.</p> <p>Recruitment and retention strategy at each location overseen by the ROM/HR BP</p>	<p>Bank teams recruited to support vacant shifts; local / national contract recruitment agencies to provide additional cover. Talent management strategy, which provides staff to with clear career paths and understand about learning and development initiatives that support this.</p> <p>The HR Business Partners have a dotted management line to the Business Relationship Managers at each Home to enable high-level focus on recruitment. Marketing department are also developing better social media platforms to enable a corporate approach to attracting candidates. All Homes now have an annual budget to support recruitment costs. Electronic Recruitment system launched in July 2018 to enable faster process linked to social media platforms.</p>
9	<p>Fire and safety concerns including fire compartments & fire drills</p>	<p>Loss of life or serious injury.</p> <p>Prosecution under the Regulatory Reform (Fire Safety) Act and other related legislation in relation to fire prevention and Health and Safety.</p>	<p>Up to date and appropriate fire safety management policies and procedures in place.</p> <p>Annual fire risk assessment undertaken by independent fire safety consultant.</p> <p>Regular training for all staff within the Homes and offices in fire prevention and incident response.</p> <p>Contractor induction and management system in place, supported by a permit to work system to</p>	<p>Regular training for all staff within the Homes and offices in fire prevention and incident response.</p> <p>Regular fire drills conducted within the Homes and offices.</p> <p>Fire safety systems installed, repaired, maintained and serviced as appropriate by a competent person to current British Standards.</p> <p>A review of fire safety equipment to ensure both compliance and suitability for the environment.</p>

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			<p>ensure continued fire safety compliance.</p> <p>Fire log books are completed / maintained by Facilities supported by Property and regularly audited.</p> <p>Regular Home visits by the HSSO to monitor fire safety within the Homes.</p> <p>Fire Risk Assessment and drills monitored and communicated via the monthly H&S dashboard.</p> <p>Hazardous substances stored in line with CoSHH assessment / hazardous substances guidelines.</p> <p>Gas and electrical supplies managed in accordance with current legislation and best practice.</p>	<p>All workplace equipment tested, serviced and maintained as appropriate and required by a competent person.</p> <p>Fire safety equipment installed in each Home / office to ensure that it is suitable for the environment.</p> <p>Fire Safety Committee meeting once per month to oversee strategic delivery of fire safety</p> <p>Fire Safety Working Group meeting once a month to oversee operational delivery</p> <p>Fire Safety Operational Working Group meeting once per month to oversee operational delivery of fire safety</p>
10	Failure to adhere to Asbestos Management policies, procedures and regulations	<p>Serious / long term impact to human health (residents / Staff / visitors / contractors).</p> <p>Denial of access to buildings.</p> <p>Prosecution under the Control of Asbestos Regulations and other related legislation in relation to Health and Safety.</p> <p>Prohibition or improvement notices, reputational damage, temporary to long term loss of service.</p>	<p>Annual risk assessment conducted by independent, external asbestos consultants.</p> <p>Regular review of asbestos condition by Facilities teams. Contractor induction.</p> <p>Copy of asbestos register available for use by facilities, property and contractors.</p> <p>Confirmed and suspected asbestos containing materials identified and managed as appropriate in accordance with current legislation.</p> <p>All intrusive contractor works require a refurbishment and Demolition survey prior to works where one have not been performed previously.</p>	<p>All existing and new Facilities team members are asbestos management trained.</p> <p>Asbestos management plan and emergency procedures in place and maintained by Property and Asbestos Management Consultants.</p> <p>Full asbestos management surveys conducted in the majority of Homes.</p> <p>All contractors to be a minimum asbestos aware trained before commencing any works on site.</p>
11	Data protection (GDPR)	Financial: Cost of recovering key and sensitive information	Clear guidelines have been produced for all members of staff. The Data Protection	<p>Laptops encrypted for data protection.</p> <p>Shredding boxes lock</p>

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		<p>and penalty fine up to £500,000.</p> <p>Reputational: Negative publicity surrounding inability to protect systems and confidential data.</p> <p>Operational: Time taken to investigate, contact family or relatives of those whose data has been breached / lost.</p>	<p>Policy is included in the Employee Handbook. Staff are aware of data protection policies and procedures in place as well as potential disciplinary action that may be taken. Staff are required to sign a confidentiality agreement upon hiring.</p> <p>MPLS system has been set in place to enhance network security between Head office and Homes.</p> <p>Shredding boxes provided and staff are aware which data is sensitive and must be disposed of correctly.</p> <p>Privacy notices and updated Data Protection Policy issued to all staff in May 2018 in line with new GDPR.</p> <p>All staff required to undertake GDPR e-learning as part of mandatory training. Enhanced classroom training being delivered at Homes.</p> <p>Trustees also required to undertake e-learning</p>	<p>protected. Extra backup servers implemented. Confidential Residential information is stored protected in the iCare and eMM system. MPLS network provides enhanced network security therefore providing increased security for confidential data.</p> <p>Head Office GDPR audit undertaken with some areas needing focus.</p> <p>Internal auditors check in place at Homes</p>
12	Building failure due to age of Care Home in Berkshire.	Urgent need to move residents and workforce.	<p>A brand new Care Home is being built and expected to be operational in 2021.</p> <p>Continued maintenance and servicing of existing Home to prevent catastrophic failure.</p>	<p>Build simultaneously while current structure is still in operation.</p> <p>Keep old building maintained and install isolation valves to pipework.</p> <p>Ensure contingency plans are up to date and alternative temporary accommodation is available in the event of failure.</p>
13	Failure to adhere to Health & Safety Policy and Practices	<p>Increase in accidents at work resulting in personal injury or death.</p> <p>Reputation risk.</p> <p>Increased risk to Residents / Visitors / Contractors / Stakeholders.</p> <p>Lack of proactive actions resulting in</p>	<p>Health and Safety Director in role.</p> <p>All SLT undertake IOSH training for Executives / Directors.</p> <p>Home Management teams including Home Manager and Facilities Manager attending relevant IOSH training.</p>	<p>Policies and procedures in place covering legal requirements and supporting positive H&S working practices and culture.</p> <p>H&S Support Officer undertakes regular support and audit visits to all Homes.</p> <p>Internal audit process to monitor and evaluate the effectiveness of property</p>

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		<p>major / critical incidents.</p> <p>Poor or no incident response resulting in serious loss / death.</p> <p>Loss of reputation resulting in prosecution, improvement / prohibition notices.</p>	<p>Health and Safety Committees now established at each Home with Health and safety policies reviewed and updated and included in induction programme.</p> <p>DSE and lone working checks regularly undertaken.</p> <p>Moving and Handling as part of Mandatory Training Programme.</p> <p>Fire and evacuation training in place and part of Mandatory Training Programme.</p> <p>Contractor management procedures in place.</p> <p>Additional internal auditor with both auditors reviewing health and safety matters as part of care audit visits.</p> <p>Weekly, monthly and quarterly health and safety checks in each home.</p> <p>Trustee representative in place to support governance and compliance.</p> <p>Safe systems of work reviewed and maintained at regular intervals by relevant personnel, supported by H&S.</p>	<p>services and service companies and report on findings.</p> <p>Effective communication with the Senior Management team, Senior Leadership team and PR Team.</p> <p>Insurance co. Insurance policies to underwrite any claims.</p> <p>Marketing to handle via PR company.</p>
14	Clinical care error leading to injury and death of a resident	<p>Impact on the health and wellbeing of a resident or group of residents. Extreme impact leading to death of resident or group of residents. Breach of regulatory requirements and duty of care.</p> <p>Prosecution, civil claims, poor reputation.</p>	<p>Homes - Home Managers to take responsibility for day-to-day care management within the Home ensuring that staff are appropriately trained and competent to deliver safe, responsive and effective care. Clinical and care errors to be appropriately managed, reported and referred to healthcare professionals in order to seek appropriate professional input and</p>	<p>Internal audit process to monitor and evaluate the effectiveness of care services and report on findings. Local homes to carry out assessments of care practice and audits to ensure good practice is in place and followed by staff at all times. Robust reporting of issues and concerns to make sure a quick response to concerns is in place. Effective communication with the senior management</p>

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			guidance for managing and supporting residents effectively. Care records to be kept up-to-date to reflect residents current needs and to ensure appropriate referral to healthcare professionals where required.	team to make sure issues and concerns are alerted as soon as possible to enable effective management of such.
15	Failure to meet service performance and / or regulatory requirements.	Negative CQC/CIW reports. Prosecution and / or enforcement action. Adverse reports, poor publicity / reputation.	Ensure an effective process for responding to regulatory reports is in place. Action plans to be completed as soon as possible by the home to address any shortcomings identified. 17 Homes enjoy current fully compliance reports with on-going auditing and quality checks with scrutiny from the Care & Quality Committee. Continuous monitoring and support delivered by internal Quality and governance team.	Ensure a robust legal challenge as appropriate. Implement an effective PR response as required. Regular Service improvement meetings to be held to ensure that Senior Management team are focused on progress to achieve compliance. Regional Managers to conduct Bi-monthly audits in each home so that they are able to detect early any shortfalls in service and prioritise resource accordingly.
16	IT Strategy and Management	Adverse impact on business efficiencies	Contract arrangements have been reviewed to determine best value for money and a rolling contract remains in place with 24-month- notice to either side.	Monthly IT & Digital Meetings ensure an overview of issues is maintained
17	IR35 (off payroll-working) legislation	The Charity would have liability for the processing of tax and national insurance for the individual and would receive a fine and required to make full payment of outstanding unprocessed tax and national insurance liability	Assess all contracted suppliers, including agency workers, maintenance and facilities contractors, to determine the supply of services and their status	Establish clear policy and procedures for all future contracts and supply of services to ensure IR35 compliant

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Tangible Fixed Assets

The Charity's tangible fixed assets consist of freehold and leasehold land and buildings, vehicles, furniture and equipment. Land and buildings are shown at the original cost to the Charity less depreciation, whilst investment property was valued at open market rates.

In the opinion of the Directors, if the properties were to be sold the total realisable sale values are likely to exceed the net book value indicated in the accounts.

Investment Policy

The parent charity, Masonic Charitable Foundation (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 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, Supranational and mortgage-backed securities.

The performance objectives of the three funds are:

- Short Term Money Market Fund: SONIA
- Cash Plus Fund: SONIA plus 0.50% gross of fees
- Enhanced Cash Plus Fund: SONIA plus 1.00% gross of fees

Reserves Policy

The Directors reviewed the reserves policy on a regular basis. The funds available to the RMBI Care Company were created over many years and the income derived from the investment portfolio is an important element in securing the longer-term operating and capital expenditure requirements of the Charity.

Group unrestricted reserves (after taking into account the pension scheme surplus) amounted to £115.9m (2019/20: £112.1m), of which the Trustees designated £68.1m (2019/20: £71.5m) in the Fixed Asset and New Building Funds. This leaves undesignated reserves of £46m (2019/20: £47m), which is equivalent to approximately 9-month charitable expenditure.

The residual funds are adequate to meet the ongoing operational requirements of the Charity.

Subsidiary Funds and Connected Charities

The Charity administers a range of "Restricted" and "Endowment" funds as detailed in Note 15, with a total value of £4.7m (2019/20: £4.9m).

The Charity was also represented on the Boards of RMBI Trading Ltd, Stability Investments Ltd (project development), RMBI Settlement Ltd (purchase welfare services) and 19/21 GQS Limited (property operations).

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Statement of Trustees Responsibilities

The Trustees (who are also the Directors of Royal Masonic Benevolent Institution Care Company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the group for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether UK 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 a charitable company will continue in business.

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

Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are also aware of that information.

Auditors

The auditors, Knox Cropper LLP, have expressed their willingness to continue in office for the following year.

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Acknowledgements

The Directors wish to extend their thanks to all the supporters, friends and staff of the RMBI Care Co who have sustained its work by their interest and generosity.

On behalf of our Chairman, I would like to thank my fellow Directors for the significant amount of time, energy and expertise they give to the RMBI Care Co. Their contribution makes a huge difference and helps to ensure that we remain one of the leading care providers in the not-for-profit sector and a provider of choice amongst the Masonic Community.

Approved by the Board of Directors and signed on their behalf by:

VW Bro John Boyington CBE

W Bro S Radia

A handwritten signature in black ink, appearing to read 'John Boyington', written over a horizontal dotted line.

Deputy Chairman

A handwritten signature in black ink, appearing to read 'S Radia', written over a horizontal dotted line.

Director

Approved on 22 September 2021

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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY**

Opinion

We have audited the financial statements of Royal Masonic Benevolent Institution Care Company (the 'charitable company') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated and charitable company's balance sheet, the 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 charitable company's affairs as at 31 March 2021 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 for 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY**

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

Opinions 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 charitable company 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The charitable company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds. The charity is also required to comply with the Health and Social Care Act and the regulations issued thereunder and compliance with the standards issued by the Care Quality Commission is a key issue.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds and to comply with the care quality standards, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions. We also reviewed reports and ratings published for each care home for the most recent Care Quality Commission inspections to ensure that there were no cases of non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> . This description forms part of our auditor's report.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY**

Use of our report

This report is made solely to the charitable company's members, 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 members 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 members as a body, for our audit work, for this report or for the opinions we have formed.



.....
Stephen Anderson (Senior Statutory Auditor)

For and on behalf of:
Knox Cropper LLP
Chartered Accountants & Statutory Auditors
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

22nd September 2021

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account)

FOR THE YEAR ENDED 31ST MARCH 2021

		Group Unrestricted funds 2021 £'000	Group Restricted funds 2021 £'000	Group Total 2021 £'000	Group Unrestricted funds 2020 £'000	Group Restricted funds 2020 £'000	Group Total 2020 £'000
	Notes						
INCOME							
Income from Charitable Activities	2	42,044	4	42,048	45,393	8	45,401
Income from Other Trading Activities	3	447	-	447	400	-	400
Income from Investments	4	973	1	974	1,051	17	1,068
Donations & Legacies	5	14,344	314	14,658	5,117	199	5,316
Net gain/(Loss) on disposal of fixed assets		-	-	-	5	3	8
TOTAL INCOME		57,808	319	58,127	51,966	227	52,193
EXPENDITURE:							
Expenditure on Raising Funds	6	(126)	-	(126)	(144)	-	(144)
Expenditure on Charitable Activities	7,8	(59,215)	(313)	(59,528)	(57,389)	(462)	(57,851)
TOTAL EXPENDITURE		(59,341)	(313)	(59,654)	(57,533)	(462)	(57,995)
Net Income/(Expenditure) before investment Gains/(loss)		(1,533)	6	(1,527)	(5,567)	(235)	(5,802)
Net (loss) / Gain on investment assets	11	5,226	-	5,226	(1,181)	(19)	(1,200)
Net Income / (Expenditure)		3,693	6	3,699	(6,748)	(254)	(7,002)
Transfers between funds		125	(125)	-	(12)	12	-
Net incoming /(outgoing) resources		3,818	(119)	3,699	(6,760)	(242)	(7,002)
Other recognised gains / losses							
Actuarial Gain on defined benefit pension scheme	19	72	-	72	973	-	973
NET MOVEMENTS IN FUNDS		3,890	(119)	3,771	(5,787)	(242)	(6,029)
Fund balances brought forward at 1st April		112,045	4,862	116,907	117,832	5,104	122,936
Fund balance carried forward at 31st March		115,935	4,743	120,678	112,045	4,862	116,907

All amounts derive from continuing activities.

The notes on pages 35 to 50 form part of these accounts.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

CONSOLIDATED BALANCE SHEET


AS AT 31ST MARCH 2021

		RMBICC	Group	RMBICC	Group
		31st March	31st March	31st March	31st March
		2021	2021	2020	2020
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	9	67,326	76,546	69,284	72,711
Investments	11	36,476	36,476	35,149	35,149
		103,802	113,022	104,433	107,860
CURRENT ASSETS					
Debtors and prepayments	12	15,119	5,446	9,407	4,922
Short term deposits		93	93	1,087	1,087
Cash at bank and in hand		5,202	5,462	5,951	6,125
		20,414	11,001	16,445	12,134
CREDITORS					
Amounts falling due within one year	13	(4,557)	(5,391)	(4,869)	(5,017)
NET CURRENT ASSETS		15,857	5,610	11,576	7,117
NET ASSETS BEFORE PENSION ASSET		119,659	118,632	116,009	114,977
RMBICC defined benefit scheme asset / (liability)	19 (g)	2,046	2,046	1,930	1,930
NET ASSETS AFTER PENSION ASSET		121,705	120,678	117,939	116,907
FUNDS:					
Unrestricted funds					
- Designated funds	14.1 & 14.2	68,073	68,073	71,484	71,484
- Accumulated fund	14.1 & 14.2	46,843	45,816	39,663	38,631
Unrestricted funds before Pension surplus		114,916	113,889	111,147	110,115
RMBI defined benefit scheme net surplus	19 (g)	2,046	2,046	1,930	1,930
Unrestricted funds after Pension surplus		116,962	115,935	113,077	112,045
Restricted funds	15	4,497	4,497	4,617	4,617
Endowment funds	15	246	246	245	245
TOTAL FUNDS		121,705	120,678	117,939	116,907

The financial statements on pages 32 to 50 were approved by the Trustees on 22 September 2021.

and signed on their behalf by:

 Deputy Chairman (VW Bro J Boyington CBE)
Deputy Chairman

 Director (W Bro S Radia)

The notes on pages 35 to 50 form part of these accounts.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	RMBI 2020 £'000	Group 2021 £'000	Group 2020 £'000
Net income / (expenditure) for the reporting period		(1,532)	(1,527)	(5,802)
Adjustments for:				
Depreciation & Impairment		3,747	3,737	4,425
(Gains) / Loss on disposal of fixed assets		-	-	(8)
Investment Income		(978)	(978)	(1,076)
Defined Benefit Pension Scheme		(44)	(44)	(119)
(Increase) / Decrease in debtors		(5,712)	(524)	20
(Decrease) / Increase in creditors		(312)	374	796
Net cash provided by (used in) operating activities		(4,831)	1,038	(1,764)
Cash flows from investing activities:				
Dividends and interest from investments		978	978	1,076
Purchase of property, plant and equipment		(1,963)	(7,746)	(6,273)
Proceeds from sale of property, plant and equipment		2,222	2,222	18
Purchase of investments		(477)	(477)	(404)
Proceeds from sale of investments		2,328	2,328	8,635
Net cash provided by (used in) investing activities		3,088	(2,695)	3,052
Change in cash and cash equivalents in the reporting period	21	(1,743)	(1,657)	1,288
Cash and cash equivalents at the beginning of the reporting period	21	7,038	7,212	5,924
Cash and cash equivalents at the end of the reporting period	21	5,295	5,555	7,212

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

- (a) The Financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Royal Masonic Benevolent Institution Care Company meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

- (b) The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the defined benefit pension scheme. The deficit on the scheme is determined by actuarial valuation. This involves making assumptions about discount rates, mortality rates etc. Due to the complexity of the valuation, the underline assumptions and long term nature of these schemes, the estimates are subject to uncertainty. Assumptions are based on the recommendations of the actuary.

- (c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that as a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

- (d) Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on raising funds, which comprises the cost of investment management fees and fundraising costs.
- Expenditure on charitable activities includes, principally, cost of running Care Homes of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

(e) Funds accounting

Funds held by the Institution are:

- 1 Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- 2 Designated funds - these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects and are as follows (See note 14):

Fixed asset fund - To finance capital expenditure on properties and equipment.

New building fund - Amounts set aside to meet authorised future capital expenditure on the purchase, construction and equipping of new Homes and general improvements to existing Homes.

- 3 Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the Institution. Restrictions arise when specified by the donor or when funds are raised for particular purposes. Further explanations of the nature and purpose are included in note 15 and 16 to the accounts.

Victor Donaldson Fund is a restricted fund, loans from this fund have been classified as a Social Investment, as the loans are to provide financial assistance to its beneficiaries. Note 11 discloses movements in the outstanding loan balance. Interest is recognised on the redemption of the loan and is shown in note 2 to the account.

(f) Investments

Investments are stated at market value at the balance sheet date. Realised and unrealised gains and losses are credited / charged to the Statement of Financial Activities on the valuations and disposals throughout the financial period.

(g) Apportionment of support costs:

Support costs have not been apportioned between unrestricted, restricted and endowment funds.

(h) Consolidation:

The RMBICC owns 100% of authorised and issued ordinary share capital of RMBI Trading Limited, RMBI (Settlement) Limited, 19/21 GQS Limited and of Stability Investments Limited. The financial results of these companies have been consolidated. Advantage has been taken of the exemption afforded by section 408 of the Companies act 2006 not to present a separate Income and Expenditure account for the Charity.

(i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

(k) Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(l) Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(m) Depreciation:

Tangible fixed assets have been capitalised at cost or acquisition value and where assets have been donated, at their value at date of receipt.

In line with the revised FRS102, depreciation for freehold and leasehold properties (with a lease life of more than 50 years) have been provided on a straight line basis at rates between 2% to 10%, depending on its useful economic life of the component parts of properties.

Depreciation for Motor vehicles and Computers & equipment are depreciated on a straight line basis at a rate of 25% per annum. Furniture and equipment are depreciated at rates between 5% to 20% on a straight line basis for items which exceed £10,000 in value, individually or for groups of related assets.

(n) Pension costs:

The Charity contributes to a defined benefits scheme which was closed to new entrants on 4th September 1996. This scheme was closed on 30 September 2010 and all existing employees were transferred to the Group Personal Pension Scheme.

For defined benefit pension schemes the amount charged in resources expended is the current service costs. These are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the interest income are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in 'Other recognised gains and losses'.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Charity, in a separate Trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For the defined contribution scheme the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

2. INCOME FROM CHARITABLE ACTIVITIES	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	2021 Total £'000	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	2020 Total £'000
Residents' Fee Receivable		42,044	-	42,044	45,393	-	45,393
Financial assistance to the elderly (Loan interest)		-	4	4	-	8	8
		<u>42,044</u>	<u>4</u>	<u>42,048</u>	<u>45,393</u>	<u>8</u>	<u>45,401</u>
3. INCOME FROM OTHER TRADING ACTIVITIES		Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000
Rental & Other Income		447	-	447	400	-	400
		<u>447</u>	<u>-</u>	<u>447</u>	<u>400</u>	<u>-</u>	<u>400</u>
4. INCOME FROM INVESTMENTS		Unrestricted funds £'000	Restricted funds £'000	2021 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000
Dividends		512	-	512	588	-	588
Interest on cash deposits		-	1	1	9	17	26
Interest Income		461	-	461	454	-	454
		<u>973</u>	<u>1</u>	<u>974</u>	<u>1,051</u>	<u>17</u>	<u>1,068</u>
5 DONATIONS, LEGACIES AND GRANTS		Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
Donations		19	52	71	17	183	200
Infection control grants		2,670	-	2,670	-	-	-
Corona Virus Job Retention Scheme grant		229	-	229	-	-	-
Donations from the parent charity		11,300	-	11,300	5,100	-	5,100
Legacies		126	262	388	-	16	16
	26	<u>14,344</u>	<u>314</u>	<u>14,658</u>	<u>5,117</u>	<u>199</u>	<u>5,316</u>
6. COST OF GENERATING FUNDS:		Staff £'000	Other £'000	Total - 2021 £'000	Staff £'000	Other £'000	Total - 2020 £'000
Investment management cost		-	126	126	-	144	144
		<u>-</u>	<u>126</u>	<u>126</u>	<u>-</u>	<u>144</u>	<u>144</u>

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

7. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2021	2020
	£'000	£'000
Staff costs:		
Wages and salaries	30,076	27,490
Social security costs	2,328	2,038
Pension costs	763	700
Total	33,167	30,228

<u>The number of employees whose total employment benefits are greater than £60,000 are as follows:</u>	<u>No.</u>	<u>No.</u>
60,001 to 70,000	14	10
70,001 to 80,000	6	5
80,001 to 90,000	5	2
90,001 to 100,000	1	-
100,001 to 110,000	-	1
110,001 to 120,000	3	3
120,001 to 130,000	-	-
130,001 to 140,000	-	-
140,001 to 150,000	-	1
150,001 to 160,000	1	-
	30	22

Key management are the members of the Executive Management who received total employment benefits of £744k during the period (2019/20 - £682k).

Staff reorganisation costs, totalling £28k (2019/20 - £25k), have been accounted for in "Other staff costs" in note 8 to these accounts. Where appropriate, the reorganisation costs have been included in the bandings, above.

Contributions during the year to the Group Personal Pension Scheme for the above 30 employees amounted to £162k (2019/20 - £127k).

<u>Average number of full and part time employees:</u>	<u>No.</u>	<u>No.</u>
Homes	1,069	932
Support	21	19
Fund raising and Marketing	2	2
Management and administration	27	28
	1,119	981

No Trustee, or persons related to or connected by business to them, has received any remuneration from the Charity during the year. The total expenses reimbursed to the members of the Board of Trustees amounted to £2k (2019/20 - £29k), in relation to travelling and subsistence.

Trustees have taken out Indemnity Insurance and the cost to the Institution was £21k (2019/20 - £19k).

The number of Trustees receiving expenses was three (2019/20 - eleven).

8 CHARITABLE EXPENDITURE:

	Residential & Care Homes before support costs	Support costs (Head Office)	Sub - Total - Residential & Care Homes with Support Costs	Governance Costs	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Staff Salaries, Social Security & Pension	29,776	2,777	32,553	614	33,167	30,228
Other Staff Costs	542	71	613	1	614	834
Agency staff costs	6,005	-	6,005	-	6,005	6,814
Catering supplies	5,034	-	5,034	-	5,034	5,169
Building maintenance and refurbishment	2,502	12	2,514	-	2,514	2,447
Light, heat, rates and water	1,846	26	1,872	-	1,872	1,929
Depreciation	3,448	268	3,716	21	3,737	3,536
Impairment	-	-	-	-	-	889
Furniture and equipment	472	9	481	-	481	822
Cleaning and laundry	817	4	821	-	821	762
Insurance	464	100	564	21	585	425
Medical expenses	1,413	-	1,413	-	1,413	210
Other - restricted fund expenditure	29	-	29	-	29	40
Postage, telephone and stationery	346	88	434	-	434	426
Audit	-	-	-	78	78	71
Legal and professional fees	3	49	52	-	52	192
Interest Costs	417	-	417	-	417	435
RMBICC defined benefit pension scheme administration cost	96	-	96	-	96	105
Miscellaneous	1,336	839	2,175	4	2,179	2,517
Total	54,546	4,243	58,789	739	59,528	57,851

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

9.1 FIXED ASSETS FOR RMBICC

Tangible assets

	Freehold properties £'000	Long leasehold properties £'000	Motor Vehicles £'000	Computers & Equipment £'000	Total £'000
COST:					
At 31st March 2020	93,860	4,013	977	8,667	107,517
Additions	982	-	-	807	1,789
Purchase of Freehold	3,222	(3,222)	-	-	-
Disposals	-	-	-	(161)	(161)
At 31st March 2021	98,064	791	977	9,313	109,145
DEPRECIATION:					
At 31st March 2020	(31,144)	(1,156)	(841)	(5,092)	(38,233)
Charge for the year	(2,800)	(60)	(57)	(830)	(3,747)
Purchase of Freehold	(970)	970	-	-	-
Disposals	-	-	-	161	161
At 31st March 2021	(34,914)	(246)	(898)	(5,761)	(41,819)
NET BOOK VALUE:					
At 31st March 2021	63,150	545	79	3,552	67,326
At 31st March 2020	62,716	2,857	136	3,575	69,284

9.2 FIXED ASSETS FOR THE GROUP

Tangible assets

	Assets Under Construction £'000	Freehold properties £'000	Long leasehold properties £'000	Motor Vehicles £'000	Computers & Equipment £'000	Total £'000
COST:						
At 31st March 2020	3,809	93,387	4,013	977	8,667	110,853
Additions	5,782	982	-	-	808	7,572
Purchase of Freehold	-	3,222	(3,222)	-	-	-
Disposals	-	-	-	-	(161)	(161)
At 31st March 2021	9,591	97,591	791	977	9,314	118,264
DEPRECIATION:						
At 31st March 2020	-	(31,053)	(1,156)	(841)	(5,092)	(38,142)
Charge for the year	-	(2,790)	(60)	(57)	(830)	(3,737)
Purchase of Freehold	-	(970)	970	-	-	-
Disposals	-	-	-	-	161	161
At 31st March 2021	-	(34,813)	(246)	(898)	(5,761)	(41,718)
NET BOOK VALUE:						
At 31st March 2021	9,591	62,778	545	79	3,553	76,546
At 31st March 2020	3,809	62,334	2,857	136	3,575	72,711

10. CAPITAL COMMITMENTS FOR THE GROUP

	Freehold properties £'000	Long leasehold properties £'000	Vehicles & computer equipment £'000	31st March 2021 Total £'000	31st March 2020 Total £'000
On construction and improvement of Homes and other capital expenditure:					
- Expenditure contracted for	358	-	-	358	1,504
- Expenditure authorised but not contracted for	436	-	-	436	894
	794	-	-	794	2,398

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11. FIXED ASSETS

INVESTMENTS FOR RMBICC AND THE GROUP	As at	As at
	31st March 2021	31st March 2020
	Market values	Market values
	£'000	£'000
<u>(a) Listed Investments</u>		
Masonic Charitable Foundation Investment Fund CAIF	25,300	21,722
	25,300	21,722
Cash held as part of investments:		
Cash held by investment manager	1,539	1,867
	26,839	23,589
<u>(b) Investment Properties</u>		
	8,392	10,440
<u>(c) Social Investments:</u>		
VDF Loans	1,245	1,120
Total Investments	36,476	35,149
<u>MOVEMENT FOR THE YEAR:</u>		
	31st March 2021	31st March 2020
	£'000	£'000
<u>(a) Listed Investments & Unlisted Subsidiaries:</u>		
Market value at the beginning of the year	21,722	28,850
Additions	352	353
Proceeds from disposals	-	(281)
Disposals	(2,000)	(6,000)
Net investment (loss) / gain	5,226	(1,200)
Market value at the end of the year	25,300	21,722
<u>(b) Investment Properties:</u>		
Market value at the beginning of the year	10,440	10,034
Additions	174	406
Proceeds from disposals	(2,222)	-
Property Revaluation (see note 24)	-	-
Market value at the end of the year	8,392	10,440
<u>(c) Social Investments - VDF Loans:</u>		
	£'000	£'000
Balance at the beginning of the year	1,120	1,069
New loans issued	161	112
Loans repaid	(36)	(61)
Balance at the end of the year	1,245	1,120

RMBI Trading Ltd, Stability Investments Ltd, RMBI (Settlement) Ltd and 19/21 GQS Ltd are wholly owned subsidiaries of RMBI Care Company. Their results are consolidated in these accounts. At 31 March 2021, the capital and reserves of RMBI Trading Ltd. stood at -£655k (2020: -£651k), Stability Investments Ltd was -£360 (2020: -£294), RMBI (Settlement) Ltd was -£975 (2020: £1) and 19/21 GQS Limited was £4 (2020 - £4) . All profits of the subsidiaries are gifted to RMBI Care Company year on year.

The companies' principal activities are the design, build, alteration of RMBICC properties and management and resident billing.

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12. DEBTORS	RMBICC	Group	RMBICC	Group
	As at	As at	As at	As at
	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
	Total	Total	Total	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Residents' contributions	2,571	2,578	2,479	2,479
RMBI Trading Limited	10,168	-	4,668	-
Other debtors and prepayments	<u>2,380</u>	<u>2,868</u>	<u>2,260</u>	<u>2,443</u>
	<u>15,119</u>	<u>5,446</u>	<u>9,407</u>	<u>4,922</u>

13. CREDITORS:	RMBICC	Group	RMBICC	Group
	As at	As at	As at	As at
	31-Mar-21	31-Mar-21	31-Mar-20	31-Mar-20
	Total	Total	Total	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Amounts falling due within one year				
Trade creditors	1,156	1,666	1,502	1,524
Taxation and social security costs	585	722	486	578
Other creditors	751	751	675	675
Accruals	<u>2,065</u>	<u>2,252</u>	<u>2,206</u>	<u>2,240</u>
	<u>4,557</u>	<u>5,391</u>	<u>4,869</u>	<u>5,017</u>

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14.1 UNRESTRICTED FUNDS FOR RMBICC

	Balance	Net movements	New	Utilised /	Balance
(a) Current year	31-Mar-20	in funds	designations	released	31-Mar-21
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed asset fund	69,086	-	1,811	(3,618)	67,279
New building fund	2,398	-	-	(1,604)	794
	71,484	-	1,811	(5,222)	68,073
Accumulated fund	39,663	3,769	(1,811)	5,222	46,843
Unrestricted Funds before Pension Scheme	111,147	3,769	-	-	114,916
Defined Benefit Pension Scheme	1,930	116	-	-	2,046
Unrestricted Funds after Pension Scheme	113,077	3,885	-	-	116,962

	Balance	Net movements	New	Utilised /	Balance
(b) Previous year	31-Mar-19	in funds	designations	released	31-Mar-20
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed asset fund	68,298	-	4,555	(3,767)	69,086
New building fund	2,036	-	4,551	(4,189)	2,398
	70,334	-	9,106	(7,956)	71,484
Accumulated fund	47,056	(6,143)	(9,106)	7,856	39,663
Unrestricted Funds before Pension Scheme	117,390	(6,143)	-	(100)	111,147
Defined Benefit Pension Scheme	838	992	-	100	1,930
Unrestricted Funds after Pension Scheme	118,228	(5,151)	-	-	113,077

14.2 UNRESTRICTED FUNDS FOR THE GROUP

	Balance	Net movements	New	Utilised /	Balance
(a) Current year	31-Mar-20	in funds	designations	released	31-Mar-21
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed asset fund	69,086	-	1,811	(3,618)	67,279
New building fund	2,398	-	-	(1,604)	794
	71,484	-	1,811	(5,222)	68,073
Accumulated fund	38,631	3,774	(1,811)	5,222	45,816
Unrestricted Funds before Pension Scheme	110,115	3,774	-	-	113,889
Defined Benefit Pension Scheme	1,930	116	-	-	2,046
Unrestricted Funds after Pension Scheme	112,045	3,890	-	-	115,935

	Balance	Net movements	New	Utilised /	Balance
(b) Previous year	31-Mar-19	in funds	designations	released	31-Mar-20
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed asset fund	68,298	-	4,555	(3,767)	69,086
New building fund	2,036	-	4,551	(4,189)	2,398
	70,334	-	9,106	(7,956)	71,484
Accumulated fund	46,660	(6,779)	(9,106)	7,856	38,631
Unrestricted Funds before Pension Scheme	116,994	(6,779)	-	(100)	110,115
Defined Benefit Pension Scheme	838	992	-	100	1,930
Unrestricted Funds after Pension Scheme	117,832	(5,787)	-	-	112,045

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15. RESTRICTED FUNDS RMBICC AND THE GROUP

(a) Current Year

	Balance 31-Mar-20 £'000	Movement in funds		Balance 31-Mar-21 £'000
		Incoming resources £'000	Expenditure Transfers Gains & (losses) £'000	
Victor Donaldson	2,497	4	-	2,501
Specific gifts, donations and legacies for Homes	1,005	285	(299)	991
Prince Edward Duke of Kent Court, Essex	394	-	(65)	329
L H Miles	617	-	(49)	568
Hoists & Disability Aids - Samaritan Fund	7	-	-	7
Good Neighbour & Friends of RMBI	9	2	-	11
NH Fowler	31	-	-	31
Royal Arch holidays	13	-	-	13
Jubilee Masters Nurse Training Scheme	1	25	(25)	1
Dementia Support - Grand Stewards Lodge	21	-	-	21
Other various	22	2	-	24
Sub-Total	4,617	318	(438)	4,497
Endowment Funds (note16)	245	1	-	246
	4,862	319	(438)	4,743

(b) Previous year

	Balance 31-Mar-19 £'000	Movement in funds		Balance 31-Mar-20 £'000
		Incoming resources £'000	Expenditure Transfers Gains & (losses) £'000	
Victor Donaldson	2,495	7	(5)	2,497
Specific gifts, donations and legacies for Homes	1,289	160	(444)	1,005
Hutchinson	(2)	12	(10)	-
Prince Edward Duke of Kent Court, Essex	394	-	-	394
L H Miles	582	55	(20)	617
Hoists & Disability Aids - Samaritan Fund	7	-	-	7
Good Neighbour & Friends of RMBI	8	2	(1)	9
NH Fowler	31	-	-	31
Royal Arch holidays	13	-	-	13
Jubilee Masters Nurse Training Scheme	1	-	-	1
Dementia Support - Grand Stewards Lodge	21	-	-	21
Other various	20	2	-	22
Sub-Total	4,859	238	(480)	4,617
Endowment Funds (note16)	245	1	(1)	245
	5,104	239	(481)	4,862

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15. RESTRICTED FUNDS (CONTINUED)

	<u>Purpose</u>
<u>Victor Donaldson Fund:</u>	To advance secured loans to Beneficiaries to enhance their quality of life.
<u>Specific gifts, donations and legacies for the Homes:</u>	For the specific use of the Homes towards costs of improving facilities for the benefit of the residents.
<u>Prince Edward Duke of Kent Court, Essex:</u>	Donation by Mark Master Masons for the development of the Thomas Were Howard House Group.
<u>L H Miles:</u>	Funds received from the Estate of the late W. Bro. Leslie Hugh Miles, PPJGW (Essex), to be used for the sole benefit of the residents of Prince Edward Duke of Kent Court, Stistead Hall, Braintree, Essex.
<u>Hoists & Disability Aids - Samaritans Fund</u>	Donation from Masonic Samaritans Fund for hoists & disability aids
<u>Good Neighbour Fund:</u>	To assist towards Annuitants' holiday costs and make discretionary grants.
<u>Friends of R M B I :</u>	To contribute, from its fund raising ball held each year, towards Annuitants' holiday costs.
<u>N.H. Fowler:</u>	Use of income specifically for Connaught Court, York, towards the cost of improving facilities for the benefit of its residents.
<u>Royal Arch holidays:</u>	To contribute towards the cost of an annual holiday to Malta for certain Annuitants and residents.
<u>Jubilee Masters Nurse Training Scheme:</u>	To assist with costs towards nurse training.
<u>Dementia Support Fund</u>	Donation from Grand Stewards Lodge towards Dementia Support program.
<u>Other:</u>	Various funds consist of amounts under £3k with varying purposes.

16. ENDOWMENT FUNDS FOR RMBICC AND THE GROUP

The Institution has 22 permanent endowments for varying purposes within its charitable objectives. The three largest of these funds are the Cooper and Bull fund, £81k (2020:£81k), the Edith and Elsie Wing, £52k (2020:£51k) and the Ames Bequest £41k (2020:£41k). None of the other funds has a significant balance and, therefore, these funds have not been listed separately.

The purpose of the Cooper and Bull fund is to provide income towards the costs of the nurse training scheme and the purpose of the remaining permanent endowments is to provide income for the Homes and general use by the Institution.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE GROUP

<u>(a) Current Year</u>	Unrestricted funds £'000	Restricted funds £'000	As at 31-Mar-21 Total £'000	As at 31-Mar-20 Total £'000
Properties and equipment	76,499	47	76,546	72,711
Investments	35,230	1,246	36,476	35,149
Current assets	7,558	3,443	11,001	12,134
Current liabilities	(5,398)	7	(5,391)	(5,017)
RMBICC defined benefit scheme asset	2,046	-	2,046	1,930
Total Net Assets	115,935	4,743	120,678	116,907

<u>(b) Previous year</u>	Unrestricted funds £'000	Restricted funds £'000	As at 31-Mar-20 Total £'000	As at 31-Mar-19 Total £'000
Properties and equipment	72,514	197	72,711	71,279
Investments	34,029	1,120	35,149	44,174
Current assets	8,590	3,544	12,134	10,866
Current liabilities	(5,018)	1	(5,017)	(4,221)
RMBICC defined benefit scheme asset	1,930	-	1,930	838
Total Net Assets	112,045	4,862	116,907	122,936

18. CONNECTED PARTIES:

a. Province of Yorkshire, West Riding

During the period ended 31st March 2021 no contribution was received from the Province of Yorkshire, West Riding towards the running costs of RMBI Homes in Yorkshire (2020 - £nil).

b. Masonic Foundation for the Aged and the Sick.

The Masonic Foundation for the Aged and Sick (MFAS) was dissolved in March 2011 and residual funds dispersed. However, the name remains on the Charity Commission register so that if MFAS is the beneficiary of any future legacies the RMBICC will be the agreed recipient and once funds are received they will be shared with the Masonic Samaritan Fund.

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18. CONNECTED PARTIES (CONTINUED)

c. Masonic Care Limited

Masonic Care Limited was incorporated on 21st October 1998 to provide accommodation and care for people with learning disabilities. RMBI Care Company took over the running of the home and the net assets and liabilities were transferred in 2018. This company is now dormant.

d. RMBI Pension Trust Limited

RMBI Pension Trust Limited is the sole Trustee of the RMBICC Pension scheme, the defined benefit scheme of RMBICC. RMBICC pays pensions on behalf of the RMBICC Pension scheme. The total amount payable to the RMBICC, by the Pension (Scheme), as at 31 March 2021 was nil (2020 - nil).

e. Compass Housing Ltd.

During 2006/7 the RMBICC took over the administration of Compass Housing Ltd, a sheltered housing complex in Cornwall, that was previously administered by Masonic Charitable Housing. The total amount payable to the RMBICC, by the Compass Housing Limited, as at 31 March 2021 was £0.6k (2020 - £0.6k). The administration of Compass Housing Ltd has been transferred to Masonic Charitable Foundation, the parent charity during 2019/20.

19. PENSION SCHEMES

The Charity operates two pension schemes. One of these pension schemes is a defined benefits pension scheme, which was closed to new entrants on 4th September 1996. The scheme was also closed for the existing employees in September 2010. The other scheme is a defined contribution scheme.

a. Defined contribution

The Charity operates a defined contribution pension scheme. During the year the charity made payments totalling £763k (2020 - £700k).

b. Defined benefit

The RMBI Pension and Life Assurance Fund ("the Fund") is a funded defined benefit arrangement which provides retirement benefits based on final pensionable salary.

The valuation used for FRS102 disclosures has been based on a full assessment of the liabilities of the Fund. On 30 September 2010 the scheme stopped accruing benefits to its members and all the employees at that time were transferred to the Group Personal Pension Scheme. Hence, there is no current service cost for the defined benefit scheme and all contributions in note 7 relates to the defined contribution scheme.

c. Principal actuarial assumptions at the balance sheet date:

The results of the last valuation as at 31 March 2020 have been updated to 31 March 2021 by a qualified independent actuary. The assumptions used were as follows:

	Year ended 31-Mar-21	Year ended 31-Mar-20
<u>Significant actuarial assumptions:</u>		
Discount rate	1.8%	2.3%
Rate of inflation (RPI)	3.3%	2.5%
Rate of inflation (CPI)	2.7%	1.8%

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19. PENSION SCHEME (CONTINUED):

Principal actuarial assumptions at the balance sheet date (continued)

	Year ended 31-Mar-21	Year ended 31-Mar-20
<u>Other actuarial assumptions:</u>		
Rate of increase in pensionable salaries	3.3%	2.5%
Rate of Increase in pensions - Post 88 GMP	2.3%	1.7%
Rate of Increase in pensions - Pre 97 XS	0.0%	0.0%
Rate of Increase in pensions - Post 97 pension	3.2%	2.5%
Rate of Increase in pensions - Post 05 pension	2.3%	2.0%
Revaluation of deferred pensions (non-GMP)	3.3%	2.5%
<u>Mortality assumptions:</u>		
Mortality before retirement	as per post retirement	as per post retirement
Mortality before and after retirement - S3PMA / S2PMA	112%	112%
Mortality before and after retirement - S3PFA / S2PFA	120%	120%
<u>Life Expectancies (in years):</u>		
	31-Mar-21	31-Mar-20
	Males Females	Males Females
For an individual age 65	21 23	21 22.9
At age 65 for an individual aged 45	22.3 24.4	22.3 24.4

d. Changes in the present value of the defined benefit obligation are as follows:

	Year ended 31-Mar-21	Year ended 31-Mar-20
	£'000	£'000
Opening defined benefit obligation	18,592	20,286
Interest cost	417	435
Actuarial (Gain) / Losses	2,122	(1,109)
Post service cost	-	-
Benefit paid	(947)	(1,020)
Closing defined benefit obligation	20,184	18,592

e. Changes in the fair value of Fund assets are as follows:

	20,522	21,124
Opening fair value of Fund assets	20,522	21,124
Interest income	461	454
Administration expenses	-	-
Actuarial (loss) / Gains	2,194	(136)
Contributions by employer	-	100
Benefits paid	(947)	(1,020)
Closing fair value of Fund assets	22,230	20,522

f. Assets:

The fair value of the assets of the Scheme were:

	4,779	3,706
Equities	4,779	3,706
Property	-	-
Corporate Bonds	3,974	3,714
Fixed Interest gilts	-	-
Index linked gilts	2,025	2,031
Liability-driven investment (LDI)	2,953	3,462
Diversified Growth (DGF) & DCFs	8,259	7,323
Cash and net current assets	240	286
Total	22,230	20,522

The return on the assets was:

	461	454
Interest Income	461	454
Return on assets less interest income	2,194	(136)
Total return on assets	2,655	318

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19. PENSION SCHEME (CONTINUED):

g. Reconciliation to the Statement of Financial Position (balance sheet)

	<u>31-Mar-21</u>	<u>31-Mar-20</u>
	<u>£000</u>	<u>£000</u>
Market value of assets	22,230	20,522
Present value of defined benefit obligation	(20,184)	(18,592)
Fund status	<u>2,046</u>	<u>1,930</u>
Irrecoverable surplus	-	-
Pension asset/(liability) recognised in the SOFA	<u>2,046</u>	<u>1,930</u>

h. The amounts recognised in Statement of Financial Activities:

	<u>Year ended</u>	<u>Year ended</u>
	<u>31-Mar-21</u>	<u>31-Mar-20</u>
	<u>£'000</u>	<u>£'000</u>
<u>The amounts recognised in Statement of Financial Activities:</u>		
Current service costs	-	-
Past service cost	-	-
Interest on obligation	-	-
Expected return on Fund assets	(44)	(19)
Total	<u>(44)</u>	<u>(19)</u>
<u>The amounts recognised in Other Recognised Gains/Losses:</u>		
Actuarial gains/(losses) in defined benefit obligation	(2,122)	1,109
Actual return on assets less interest	2,194	(136)
Total	<u>72</u>	<u>973</u>

i. Future Funding Obligation:

The Trustee is required to carry out an actuarial valuation every 3 years. The most recent actuarial valuation of the Fund was performed by the Scheme Actuary for the Trustee as at 31 March 2019. This valuation revealed a funding surplus of around £1.1m and therefore no deficit contributions are required from the Company. The Company has agreed to pay the ongoing costs of administering the Fund (including the PPF levy) directly. These costs are shown elsewhere in the accounts.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2021****20. TAXATION**

The Royal Masonic Benevolent Institution Care Company is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

21. NOTES TO CASH FLOW STATEMENT**ANALYSIS OF CHANGE IN NET FUNDS FOR THE GROUP****(a) Current year**

	At 31st March 2020 £'000	Cash flow £'000	At 31st March 2021 £'000
Cash at bank and in hand	6,125	(663)	5,462
Short term deposits	1,087	(994)	93
Cash and cash equivalent	7,212	(1,657)	5,555

(b) Previous year

	At 31st March 2019 £'000	Cash flow £'000	At 31st March 2020 £'000
Cash at bank and in hand	1,814	4,311	6,125
Short term deposits	4,110	(3,023)	1,087
Cash and cash equivalent	5,924	1,288	7,212

22 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and no share capital. In the event of the charity been wound up, the liability of the guarantee is limited to £10 per member of the charity.

23 ULTIMATE CONTROLLING PARTY

The charity is a subsidiary of the Masonic Charitable Foundation and the Trustee Board of the Masonic Charitable Foundation is the Charity's ultimate controlling party.

24 INVESTMENT PROPERTY REVALUATION

The investment property revaluation was undertaken by an external, independent property valuers, with a relevant and recognised professional qualification. The valuers have recent experience in the location and category of the property being valued.

The property comprises a retail unit as well as four residential accommodations. The residential accommodations have been valued assuming a sale on 125 year lease. The valuation of the retail unit is based on 15 year lease, capitalising the income payable to the freehold with appropriate investment yield and reflects discounts for related costs associated with the sale.

25 RELATED PARTY TRANSACTIONS

There have been no related party transactions other than those disclosed in note 18.

26 COVID-19 IMPACT

The Trustees have evaluated the impact of the pandemic on the operations of the charity, which is to provide residential care, nursing care and residential dementia support to older Freemasons, their families and people in the wider community.

The income from Charitable Activities reduced by 7% due to a reduction in occupancy levels as a direct result of the COVID-19 pandemic. However, this was offset by additional grants received from our parent Charity, Infection Control grants and Corona Virus Job Retention Scheme grants. The Homes operating costs were slightly above the inflationary increase mainly as a result of emergency purchase of Personal Protective Equipment (PPE) and increased staff costs to look after Covid-19 affected residents.

The Trustees do not consider there to be any going concern issues and for this reason the financial statements have been prepared on a going concern basis.