

THE GRAND CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Charity Number: 1170335

Company Number: 01487345

THE GRAND CHARITY

Contents	Page
Trustees' Annual Report	3
Strategic Report	7
Statement of Trustees' Responsibilities	12
Auditor's Report	13
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
The following pages do not form part of the statutory accounts	
Annex A - Grants to Non-Masonic Charities	27

THE GRAND CHARITY

TRUSTEES' ANNUAL REPORT

The trustees are pleased to submit their report for the year ended 31st March 2022. This report includes a directors' report as required by Section 415 of The Companies Act 2006 and a strategic report as required by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Reference and Administrative Information

Name and Registered Office

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

Trustees

The trustee who served during the whole of the year was:

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

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

- John Boyington, CBE
- Sinead Brophy
- Charles A.G. Cunningham
- Timothy D. Dallas-Chapman (resigned 9th December 2021)
- Simon D'O. Duckworth, OBE, DL
- Clive Emerson
- Dr Simon Fellerman
- Alan P. Graham, MBE
- Antony D.G. Harvey
- Christopher Head
- Michael R. Heenan (Treasurer)
- Richard M. Hone, QC (President)
- James H. Newman, OBE (resigned 28th April 2021)
- Stephen Robinson
- Howard Ian Sabin (resigned 9th December 2021)
- David Southern (appointed 10th June 2021)
- Nigel J. Vaughan
- David C. Watson (resigned 9th December 2021)
- Andrew G. Wauchope
- Sir Paul Williams, OBE, KStJ, DL (Deputy President and Chairman)
- Howard G. Wilson

James H. Newman resigned as Chairman of the MCF on 31st March 2021 and Trustee of the MCF on 28th April 2021, and Sir Paul Williams was appointed Chairman on 1st April 2021

THE GRAND CHARITY

TRUSTEES' ANNUAL REPORT

Executive

The Executive during the year to 31st March 2022 were:

- Les Hutchinson, Chief Executive
- Charles Angus, Group Finance Director
- Annette Campbell, Company Secretary (resigned 5th February 2022)
- Brenda Nurse, Company Secretary (appointed 1st March 2022)

Auditor

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

Bankers

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

Investment Advisors

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

Investment Managers

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

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

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

Solicitors

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

THE GRAND CHARITY

TRUSTEES' ANNUAL REPORT

Structure, Governance and Management

Organisation

The Charity is constituted as a company limited by guarantee and its governing document is its articles of association.

The Charity was renamed from Masonic Charity Trustee Limited on 16th December 2016. The unrestricted assets from the unincorporated trust, together with the restricted Transferred Beneficiaries Fund, were transferred to the Charity with effect from 1st February 2017 following a resolution from the trustees made on 15 December 2016. The restricted Relief Chest Fund remains in the unincorporated trust. The Transferred Beneficiaries Fund was transferred to the Royal Masonic Benevolent Institution (RMBI) on 1st November 2017.

As the trustees consist of the Masonic Charitable Foundation ("MCF") and the chairman of the MCF, the MCF exercises control over the Charity, and will consolidate the Charity's results in its group accounts. Details of the processes for the appointment, induction and training of the MCF's trustees are given in the annual report and accounts of that company.

Governance and Management

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

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

THE GRAND CHARITY

TRUSTEES' ANNUAL REPORT

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

THE GRAND CHARITY

STRATEGIC REPORT

Objectives and Activities

Objectives

The Charity is the central grant-making charity of all Freemasons under the English Constitution. The objects of the Charity, as expressed in the trust deed, are very broad and before the amendments approved at the annual general meeting in September 2015, gave discretion to the trustees to support charitable purposes as recognised under UK Law. As a result of the amendments, that discretion has now passed to the Charity's corporate trustee.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and have ensured that its grant-making policies and activities comply with the requirements.

Activities

Under guidelines adopted by the Council prior to 1 April 2016, the activities of the Charity were primarily in two areas to the benefit of the public. These have since been adopted by the corporate trustee when administering the funds of the Charity. During the course of the year, the funds of the Charity were depleted and the MCF took over the funding of new grants.

Making financial grants for charitable purposes

Grants are made in support of:

Freemasons and their dependants in financial distress

The Charity provides masonic relief grants to masons or their dependants who require help with daily living expenses and for unexpected or exceptional needs. These are assessed against eligibility criteria, the guidelines for which are reviewed regularly.

With the masonic relief grants programme, the Charity has two primary objectives.

1. To provide assistance to masons and their dependants who are in financial need.
2. To encourage applicants to apply for all state benefits to which they might be entitled.

The Charity has relied heavily on lodge almoners and provincial grand almoners to seek out masons and their dependants in need of charitable assistance, whether it is financial support or simply encouragement to make application for any state benefits to which they might be entitled.

The total of masonic relief grants expenditure is found in Note 5 to the accounts on page 22.

Other Masonic Charities

The Charity makes grants to other masonic charities when justifiable needs are identified.

THE GRAND CHARITY

STRATEGIC REPORT

Grants to Charities

Grants from Charity are made to charities that are registered with the Charity Commission and whose beneficiaries are located across England and Wales. In addition, grants are provided for disaster relief support, both in the UK and abroad.

The Charity seeks to achieve three main objectives through its non-masonic giving.

1. To make a significant difference to people in real need.
2. To support issues of concern to freemasons and their families.
3. To achieve maximum impact by benefiting as many people as possible.

During the period covered by this annual report, the Charity made grants to non-masonic charities in the following policy areas where public benefit is clearly demonstrated.

1. Financial Hardship – Grants support charities that relieve household or individual financial poverty.
2. Social Exclusion and Disadvantage - Grants support charities which relieve isolation and loneliness for those experiencing family breakdown or crisis, rural or urban deprivation, homelessness, digital exclusion or social exclusion, as well as those with a disability or long-term illness which acts as a barrier to a fulfilling life.
3. Emergency Grants - Emergency grants are made in times of national emergency, both in the UK and overseas. These grants are made at the discretion of the Emergency Panel to ensure rapid response by the Charity and are normally made through international relief organisations. Some grants are made in conjunction with the appropriate District or Provincial Grand Lodge.

The total of non-Masonic grants expenditure is found in Note 5 to the accounts on page 22.

The provision of administrative services

1. Relief Chest Scheme

The Relief Chest Scheme (“RCS”) has been retained within the unincorporated trust for The Grand Charity and details of the operation of the RCS are shown in the accounts for that trust.

2. Maintaining and supporting the Festival and Donations IT system

Maintenance of the Festival and Donations IT system was transferred to the MCF from 1st April 2016.

Aims

Following the creation of the MCF, for 2020/21 the primary aim of the Charity was, through the work of the MCF, to combine grant-making activities with those of the RMTGB and the MSF to ensure the combined broad range of support was offered to all eligible beneficiaries consistently to the same high standards.

Public Benefit

In planning the objectives for the year, the trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

THE GRAND CHARITY

STRATEGIC REPORT

Achievements and Performance

- The charity has successfully merged its Masonic grant-making activities under the MCF, resulting in a single point of contact and support for all those within the masonic community seeking help with health and care needs. Through the creation of GAMES (Grant Application Management and Evaluation System) it can now manage, monitor and report on all grants and enquiry activity.
- GAMES also allows trained volunteers to submit and monitor applications for support online in their own regions.
- From 1 April 2016 the Charity's activities were carried out by the MCF. Through the MCF 411 masonic relief grants were approved (2021: 1,736) with a total value of £1.08 M after accounting for refunds.
- For the furtherance of the charities' purpose for the public benefit, 32 grants totalling £0.44 M were awarded to non-Masonic causes by the MCF on behalf of the TGC. This included 11 grants with a value of £0.06 M given to support the international community face the challenges arising from Covid-19 and its associated lockdowns.

Financial Review

Review of the Year

With no remaining festivals and the depletion of the CAIF, there are no ongoing sources of income save for the occasional legacy.

Legacies which are by nature variable increased from £0.68 M in 2021 to £0.87 M for the current year. Total income of £0.89 M was 5% higher than prior year as a result.

Expenditure of £1.94 M was 81% lower than prior year, as reserves were depleted and the MCF took over the funding of grants. Masonic grant expenditure of £1.08 M was 77% lower than the previous year. Charity grants of £0.44 M were 89% lower than prior year.

Investment gains of £2k were recorded from the residual amounts left on deposit with RLAM. The deficit for the year of £1.05 M (2021: £9.08 M) was transferred to reserves.

Reserves Policy

The reserves for the Charity ended the year at £0.72 M. At the end of the year, the Charity had £0.74 M in its bank account to pay the remaining grant creditors of £0.54 M. No further grants or other expenditure will be made in the future. Any residual legacies received by the Charity in the future will be transferred to the MCF in order to support the funding of the grant activities that it has taken over.

THE GRAND CHARITY

STRATEGIC REPORT

Principal Risks and Mitigation

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

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

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

THE GRAND CHARITY

STRATEGIC REPORT

Plans for Future Periods

The Charity will remain open for the sole purpose of receiving donations and legacies, the value of which will be transferred over to the MCF.

THE GRAND CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

Statement of Disclosure of Information to Auditor

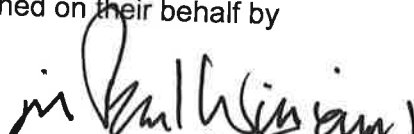
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware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

Auditor

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

Approval by Trustees

This report, including the strategic report, was approved by the trustees on 15th September 2022 and signed on their behalf by


Sir Paul Williams, OBE, KStJ, DL

Chairman, MCF

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF THE GRAND CHARITY

Opinion

We have audited the financial statements of The Grand Charity (the 'Charitable Company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, 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 Charitable Company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

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

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF THE GRAND CHARITY

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 where 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 set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Charitable 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 GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF THE GRAND CHARITY

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 that the legal requirement to accurately account for any restricted funds was of key significance.
- We gained an understanding of how the Charitable Company complied with its legal and regulatory framework, including the requirement to properly account for any restricted funds, 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 all 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.

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

Use of the audit report

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



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

15 September 2022

THE GRAND CHARITY

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2022

(Including an Income and Expenditure Account)

	Note	2022 £'000	2021 £'000
INCOME			
Donations and legacies	2	881	774
Investment income	3	5	68
Total income		886	842
EXPENDITURE			
Cost of generating funds		(26)	(102)
Investment management costs	4	(18)	(73)
		(44)	(175)
Charitable activities			
Masonic grants	5	(1,386)	(5,887)
Non-Masonic grants	5	(506)	(4,327)
		(1,892)	(10,214)
Total expenditure		(1,936)	(10,389)
Net gains on investments	8	2	466
Net income/(expenditure)		(1,048)	(9,081)
Transfers between funds		0	0
NET MOVEMENT IN FUNDS		(1,048)	(9,081)
Total funds brought forward		1,767	10,848
Total funds carried forward		719	1,767

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

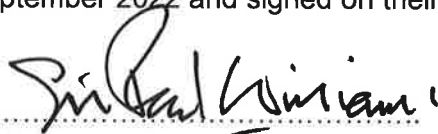
The notes on pages 19 to 26 form part of these financial statements.

THE GRAND CHARITY

BALANCE SHEET as at 31 March 2022 Company Number 01487345

	Note	March 2022 £'000	March 2021 £'000
CURRENT ASSETS			
Debtors	9	521	471
Investments	8	0	4,678
Cash at bank and in hand		742	1,372
		<u>1,263</u>	<u>6,521</u>
CURRENT LIABILITIES			
Creditors falling due within one year	10	(493)	(4,563)
NET CURRENT ASSETS		<u>770</u>	<u>1,958</u>
Creditors falling due after one year	10	(51)	(191)
Total net assets		<u>719</u>	<u>1,767</u>
CHARITABLE FUNDS			
Unrestricted funds			
General reserves		719	1,767
Total charitable funds		<u>719</u>	<u>1,767</u>

The financial statements were approved and authorised for issue by the Trustee Board on 15th September 2022 and signed on their behalf by:


Sir Paul Williams, OBE, DL

Chairman


Michael Heenan

Treasurer

The notes on pages 19 to 26 form part of these financial statements

THE GRAND CHARITY

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

2022
£'000

2021
£'000

Operating Activities

Net cash provided by/(used in) Operating Activities A (5,316) (8,623)

Cash flows from investing activities

Dividends and interest from investments	5	68
Proceeds from the sale of investments	4,681	12,152
Purchase of investments	0	(2,635)

Net cash provided by/(used in) Investing Activities 4,686 9,585

Change in cash and cash equivalents in the reporting period (630) 962

Cash and cash equivalents at the beginning of the reporting period 1,372 410

Cash and cash equivalents at the end of the reporting period B 742 1,372

Notes on the cash flow statement

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

Net movement in Funds as per the Statement of Financial Activities (1,048) (9,081)

Adjustments for:

Dividends, interest and rents from investments	(5)	(68)
Other movements in investments	(3)	(512)
(Increase) in debtors	(50)	(248)
(Decrease)/increase in creditors	(4,210)	1,286

Net cash provided by/(used in) Operating Activities (5,316) (8,623)

B Analysis of cash and cash equivalents

Cash at bank and in hand 742 1,372

Total cash and cash equivalents 742 1,372

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of The Grand Charity (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Companies Act 2006, the Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS102 second edition) published in 2019 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

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

(c) Going concern

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

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

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

(d) Incoming resources

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

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

(e) Resources expended

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

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

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

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

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

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

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

(f) **Employee benefits**

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

(g) **Fund accounting**

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

(h) **Financial assets and liabilities**

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(i) **Taxation**

The Charity is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

2. **DONATIONS AND LEGACIES**

	2022 £'000	2021 £'000
Festivals	0	82
Other donations	11	14
Legacies	870	678
	<hr/> 881	<hr/> 774

3. **INVESTMENT INCOME**

	2022 £'000	2021 £'000
Interest on bank deposits	0	0
Income from investment portfolios	5	68
	<hr/> 5	<hr/> 68

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

4. INVESTMENT MANAGEMENT COSTS	2022	2021
	£'000	£'000
Investment fund management	13	53
Support costs	5	20
	<hr/>	<hr/>
	18	73
5. CHARITABLE ACTIVITIES	2022	2021
	£'000	£'000
Masonic		
Poverty relief	1,075	4,580
Support Costs	311	1,307
	<hr/>	<hr/>
	1,386	5,887
Non-Masonic		
Covid-19 Emergency Grants	58	1,655
Disaster Relief	97	44
Health and Disability	0	28
Hospices	0	693
Isolation in Later Life	273	1,016
Rescue Services	0	13
Other Charitable Purposes	11	463
Support Costs	67	415
	<hr/>	<hr/>
	506	4,327

Masonic support of £1,075k consisted of 411 grants made to individual beneficiaries. 32 grants were made to charitable institutions; these grants are detailed in annex A to these financial statements.

Auditor's remuneration of £6k (2021: £12k) is included in support costs to charitable activities.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

6. SUPPORT COSTS: 2022

	Cost of Generating Funds £'000	Investment Management £'000	Masonic £'000	Non- Masonic £'000	Total 2022 £'000	Basis for Allocation
Relief Chest - Fundraising	7	0	0	0	7	(a)
Fundraising	8	0	0	0	8	(a)
Legacies	4	0	0	0	4	(a)
Masonic Support - Grants	0	0	58	0	58	(a)
Masonic Support - Advice & Support	0	0	57	0	57	(a)
Masonic Support - Provincial & Volunteers	0	0	17	0	17	(a)
Relief Chest - Charitable	0	0	10	1	11	(a)
Charity Grants	0	0	0	40	40	(a)
Strategic & Impact	0	0	2	0	2	(b)
Executive	6	0	31	5	42	(c)
Finance	3	6	33	5	47	(c)
Digital & Technology	0	0	26	4	30	(b)
Human Resources	0	0	12	2	14	(b)
Communications	0	0	41	6	47	(b)
Governance	0	0	8	1	9	(b)
Property management	0	0	29	4	33	(b)
Administration and Support	0	0	18	3	21	(b)
Facilities & Admin - Ruspini House	0	0	0	0	0	(b)
Other	(2)	(1)	(31)	(4)	(38)	
	26	5	311	67	409	

Basis for allocation

Directly attributed

Number of grants processed

Headcount and number of grants processed

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

6. SUPPORT COSTS: 2021

	Cost of Generating Funds £'000	Investment Management £'000	Masonic £'000	Non- Masonic £'000	Total 2021 £'000	Basis for Allocation
Relief Chest - Fundraising	33	0	0	0	33	(a)
Fundraising	9	0	0	0	9	(a)
Legacies	23	0	0	0	23	(a)
Masonic Support - Grants	0	0	292	0	292	(a)
Masonic Support - Advice & Support	0	0	197	0	197	(a)
Masonic Support - Provincial & Volunteers	0	0	84	0	84	(a)
Relief Chest - Charitable	0	0	55	20	75	(a)
Charity Grants	0	0	0	149	149	(a)
Strategic & Impact	0	0	28	10	38	(b)
Executive	15	0	79	29	123	(c)
Finance	8	12	78	28	126	(c)
Digital & Technology	0	0	98	36	134	(b)
Human Resources	0	0	32	12	44	(b)
Communications	0	0	152	55	207	(b)
Governance	0	0	54	20	74	(b)
Property management	0	0	58	21	79	(b)
Administration and Support	0	0	75	27	102	(b)
Facilities & Admin - Ruspini House	0	0	0	0	0	(b)
Other	14	8	25	8	55	
	102	20	1,307	415	1,844	

Basis for allocation

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

7. STAFF COSTS

The Charity employed no staff during the year (2021: None). Staff recharges from the MCF to the Charity are included within the management charge analysed in note 6 above.

No trustees received remuneration from the Charity during the year (2021: £Nil). No trustees' expenses were incurred during the year (2021: £Nil).

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

8. INVESTMENTS	March 2022 £'000	March 2021 £'000
Current Asset Investments		
- Managed Funds		
RLAM	0	4,678
	<hr/> 0	<hr/> 4,678

MOVEMENTS IN INVESTMENTS

Balance at 1 April 2021	4,678	13,683
Additions	0	2,635
Disposals	(4,681)	(12,152)
Transfers from/(to) group undertakings	0	0
Investment income reinvested	1	54
Management fees charged to the fund	0	(8)
Gains/(losses)	2	466
Changes in cash balances held	0	0
Balance at 31 March 2022	<hr/> 0	<hr/> 4,678

RECONCILIATION TO SOFA

Gains/(losses) on investments	2	466
Gains/(losses) within cash balances held	0	0
	<hr/> 2	<hr/> 466

9. DEBTORS	March 2022 £'000	March 2021 £'000
Prepayments and accrued income	0	0
Other debtors	190	471
Amounts owed by group undertakings	331	0
	<hr/> 521	<hr/> 471

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

10. CREDITORS	March 2022 £'000	March 2021 £'000
Falling due within one year		
Amounts owed to group undertakings	0	1,600
Grants payable	493	2,961
Accruals and deferred income	0	2
	<hr/> 493	<hr/> 4,563
Falling due after more than one year		
Grants payable	51	191
	<hr/> 51	<hr/> 191

11. RELATED PARTY TRANSACTIONS

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

12. LEGAL STATUS

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

13. ULTIMATE CONTROLLING PARTY

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

THE GRAND CHARITY

ANNEX A – GRANTS MADE TO CHARITABLE INSTITUTIONS

Charity	Grant	Purpose
<u>Disaster Relief</u>		
Plan International UK	35,000	Disaster Relief Grant towards the effects of the Sudan food crisis
Plan International UK	50,000	Disaster Relief Grant towards the effects of COVID-19 in India
The Salvation Army	12,000	Disaster Relief Grant towards efforts following flooding in Skewen, Wales
Total	97,000	3

<u>Isolation in Later Life</u>		
Active and in Touch Frome	7,000	Core Funding
Butterflies Memory Loss Support Group	7,000	Core Funding
InterAct Stroke Support	10,500	Core Funding
Leeds Mind	49,123	Later Life Befriending in Leeds
Leukaemia Care	10,000	Welfare Officer- support for older people
Living Options Devon	18,209	Time to Talk
Maggie's	51,345	Living with and beyond prostate cancer
Queen's Crescent Community Association	28,519	Forever Young - Fighting Covid in Camden
Southend Blind Welfare Organisation	30,000	Talk and support for visually impaired people.
The Third Age Project	15,000	Core Funding
Vista (The Royal Leicestershire Rutland and Wycliffe Society for the Blind)	53,219	Virtuoactivity
Total	279,915	11

<u>Other Charitable Purposes</u>		
Cornwall Air Ambulance	1,000	Core Funding (Matched Provincial donation)
Cornwall Blood Bikes	1,000	Core Funding (Matched Provincial donation)
Cornwall Hospice Care	1,000	Core Funding (Matched Provincial donation)
disAbility Cornwall & Isles of Scilly	1,000	Core Funding (Matched Provincial donation)
East Cornwall Search and Rescue Team	500	Core Funding (Matched Provincial donation)
The 3 Pillars-Feeding the Homeless	2,833	Core Funding (Matched Provincial donation)
The Merlin MS Centre	1,000	Core Funding (Matched Provincial donation)
Total	8,333	7

<u>COVID-19 Help and Support Programme</u>		
The Grand Secretary's Discretionary Fund	5,000	COVID-19 support for Districts - DGL Ghana - PPE for hospitals
The Grand Secretary's Discretionary Fund	5,000	COVID-19 support for Districts - DGL East Africa - PPE for hospitals

THE GRAND CHARITY

The Grand Secretary's Discretionary Fund	5,000	COVID-19 support for Districts - DGL KwaZulu-Natal - 2 High Flow Oxygen Ventilators
The Grand Secretary's Discretionary Fund	1,250	COVID-19 support for Districts - DGL South Africa, Western Division - Breede River Hospice
The Grand Secretary's Discretionary Fund	5,000	COVID-19 support for Districts - DGL Bengal - PPE and Food supplies
The Grand Secretary's Discretionary Fund	5,000	COVID-19 support for Districts - DGL Trinidad and Tobago - Domestic Violence Shelter
The Grand Secretary's Discretionary Fund	5,000	COVID-19 support for Districts - DGL Eastern Archipelago - COVID test kits
The Grand Secretary's Discretionary Fund	15,000	COVID-19 support for Districts - DGL Madras, Northern India and Bombay - PPE for hospitals
The Grand Secretary's Discretionary Fund	1,250	COVID-19 support for Districts - DGL South Africa, Western Division - Infinity Culinary Training
The Grand Secretary's Discretionary Fund	5,000	COVID-19 support for Districts - DGC South Africa, Northern Division - Grocery Vouchers
The Grand Secretary's Discretionary Fund	5,000	COVID-19 support for Districts - DGL Nigeria - Hand Sanitisers and face masks

Total	57,500	11
--------------	---------------	----

Total	442,748	32
--------------	----------------	----

Adjustment to prior years (6,800)

Overall Total	435,948
Discounting of long term grants (movement)	2,899
Per Accounts	438,847