

Charity number: 1177420

Sussex Masonic Charitable Foundation, CIO

Trustees' report and financial statements

For the year ended 31 December 2020

Sussex Masonic Charitable Foundation, CIO

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Sussex Masonic Charitable Foundation, CIO

Reference and administrative details of the charity, its Trustees and Officers and advisers For the year ended 31 December 2020

Trustees and Officers

M B Harris, Chairman
T J Ashdown, Deputy chairman from 20 January 2021
C Dann
R P Ison
R A Needham
B D Rogers, (Formerly Honorary Secretary)
Dr R M Wicks
P A Lang
C Ballard
R Heal, Officer (Charity Steward)
A Towler, Officer (Honorary Treasurer)
R M Mulvey, Officer (Provincial Almoner)
P Baker, Officer (Honorary Secretary)

Charity registered number

1177420

Principal office

25 Queens Road, Brighton, East Sussex, BN1 3YH

Independent auditor

Kreston Reeves LLP, A2 Yeoman Gate, Yeoman Way, Worthing, West Sussex, BN13 3QZ

Bankers

Charities Aid Foundation, Kings Hill, West Malling, Kent, ME19 4TA

Sussex Masonic Charitable Foundation, CIO

Trustees' report For the year ended 31 December 2020

The Trustees present their annual report together with the audited financial statements of the Charity for the year ended 31 December 2020.

The Trustees confirm that the Annual report and financial statements of the Charitable Incorporated Organisation (CIO) comply with the current statutory requirements, the requirements of the CIO's governing document and the provisions of the Statement of Recommended Practice (SORP) 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).

OBJECTIVES AND ACTIVITIES

The objectives of the charity are to relieve sickness and preserve health, advance education and prevent or relieve poverty or financial hardship, amongst such persons as the trustees consider from time to time to be in need of assistance to the extent to which the trustees in their absolute discretion think appropriate; and to further such other purposes (being exclusively charitable) as the trustees may from time to time in their absolute discretion consider appropriate.

Nothing in this constitution shall authorise an application of the property of the CIO for the purposes which are not charitable.

Sussex Masonic Charitable Foundation CIO has succeeded the original Sussex Masonic Charity, established in 1941 by the Provincial Grand Lodge of Sussex, as a separate organisation, but independent of it. It combines the support for Masons and their dependents with a remit to support non-Masonic charities benefiting the wider community by way of grants and donations. The Trustees confirm that they have had due regard to Charity Commission guidance on public benefit in setting the Charity's objectives and activities.

ACHIEVEMENTS AND PERFORMANCE

The Trustees continued to oversee the raising and distributing of funds in accordance with its objects.

Masonic lodges in Sussex have been encouraged to raise their own funds for local charities which have been "match funded" by Sussex Masonic Charitable Foundation, CIO to a maximum of £600. During the year total matched funding applications approved and paid amounted to over £24,000. For larger donations the Trustees have reviewed and approved significant gifts to local charities under the umbrella of an initiative referred to as "Sussex for Sussex" where over £161,000 was distributed from funds, again, raised by Sussex Freemasons.

This has been a particularly challenging year for everyone, even more so for those organisations providing immediate care and support as a result of the Coronavirus Pandemic. At the beginning of the pandemic the Trustees approved a total of £28,000 to be donated to 14 foodbanks within Sussex, £30,000 to be donated to 6 hospitals within Sussex, as well as the provision of other Personal Protective Equipment (including hand sanitizer) totaling over £2,500. The Trustees gave a further Christmas donation to 11 local hospices, at a total cost of £21,000.

Other donations to institutions, not included as part of 'Sussex for Sussex' above amounted to over £19,000. Amounts donated to individuals in line with the charitable objects amounted to almost £23,000.

FINANCIAL REVIEW

The results for the year are set out in the Statement of Financial Activities on page 11.

The Charity's main source of income continues to be derived from donations from Sussex freemasons and dividends from the investment portfolios. The Trustees would like to thank all Lodge members for their continued support.

Total income for the year amounted to £447,173 (2019: £480,096). The expenditure of the charity during the year totalled £383,488 (2019: £415,139). Of this total expenditure, £325,176 (2019: £337,621) related directly to distributions for charitable purposes from its total income and reserves. Administration charges were kept to a minimum with one member of staff supplemented by a dedicated team of volunteers. The financial statements show a headline surplus of £63,685 (2019: surplus of £64,957), excluding the effects of unrealised losses.

Trustees' report (continued)
For the year ended 31 December 2020

Financial effect of significant events - the downward movement in the stock market during 2020 as a result of the Coronavirus pandemic, and as such the investment portfolio valuation has decreased significantly at the start of the year. Since this initial decrease, the ending position has improved, but total unrealised losses in the year amounted to £161,494 (2019: gain of £154,687).

The impact of the Covid 19 pandemic is having a far-reaching impact upon society at large and the Trustees are doing what they can to provide support to institutions including the NHS in tackling the effects of the virus.

Principle risks and uncertainties - the charity held over £1.4m of investments at the Balance Sheet date, in a balanced portfolio, and uses the interest and dividend income to make grants to local charities across Sussex. The current market uncertainty has meant that the Trustees are keeping scrutiny of market conditions and, with the help of external professional advisors, to seek to minimise the inherent risk.

Principle sources of funding and how these resources support the key objectives of the charity - all (incoming resources) are secured from freemasons or from investment income and are distributed to local freemasons (and their dependents) in times of hardship and to local charities following applications to the Trustees.

The Charity's funds at the year end comprised over £1.4m in unrestricted funds, and £543k in restricted funds. The details of movement in these funds are detailed in Note 14 to the accounts, and the Charity's reserves policy is set out below.

Going Concern

At the date of this report, there exists considerable uncertainty regarding the potential impact of the Coronavirus and the economic consequences, both within the U.K. and overseas, which may result from government policies to contain the spread. The duration and geographical extent of any possible lockdown or future government policies are unknown. Whilst we are unable to predict what the economic consequences may be and the impact on the charity's future ability to continue trading, we have continued to use the going concern basis as appropriate in the preparation of these accounts.

Investment policy

The investment policy is reviewed by the Trustees, at least once a year and currently the investment objective is for a balance between income and growth with moderate risk. The Trustees are satisfied with the current investment strategy and are confident that the future portfolio performance will be enhanced in the long term. Investments held and the use of cash funds are continually reviewed with our investment advisors.

Restricted and Unrestricted Funds

The General fund of the Charity is unrestricted and both capital and income can be used for the Charity's objectives. There are five restricted funds at the year end: the Provincial Grand Master's Relief Fund, the Sussex Masonic Fund, the Sussex for Sussex Fund, the Royal Arch Fund and the Wilkins Bequest Fund.

The Provincial Grand Master's Relief Fund is funded annually by Lodges in Sussex and payments are restricted to the charitable needs of Sussex Masons and their dependents. The Sussex Masonic Fund was established during the year ended 31 December 2004 when the Mid Sussex Masonic Trust donated its residual assets to the Provincial Grand Master's Relief Fund and payments can only be made for Masonic purposes. Sussex for Sussex is an initiative set up in a previous year following the closure of the 2017 Festival. The Wilkins Bequest Fund consists of funds to be utilised in accordance with the charitable purposes decided under the sole discretion of Tilsmore Lodge in accordance with the terms of the will of the late Roger Reginald Thomas Wilkins. The Royal Arch Fund was established during the course of 2017 to ensure that charitable funds raised by Royal Arch Chapter Lodges is governed in accordance with the same mechanisms as Craft masonry.

During the year the Trustees reviewed The Bennett Bequest Fund, specifically looking at the restrictions imposed on the initial gift. From a review of the original will of the late Mr Reginald Bennett, the stipulation was that the capital and income can only be expended for Masonic charitable purposes. This being the charitable objects of the charity, it was agreed that this amount should be presented as unrestricted funds going forward.

Sussex Masonic Charitable Foundation, CIO

Trustees' report (continued) For the year ended 31 December 2020

Reserves policy

Sufficient investments must be maintained to produce income to meet the Charity's costs and to contribute towards the donations and grants provided by the Charity. In addition to this, reserves must be maintained at a sufficient level to meet any unforeseen expenses met by the Charity and to ensure the continuation of the Charity's work in the event of a downturn in income. Free reserves comprising unrestricted funds at 31 December 2020 were £1,406,068 (2019 : £1,176,293). The Trustees do not consider this level of free reserves to be excessive as the majority of funds are held as part of an investment portfolio to earn future income from.

Welfare and administration

The Trustees would like to express their thanks to the Lodge members, many of whom are Lodge Almoners and Charity Stewards, on whom they rely for their continued support in the help given to Brethren or their dependents who are in need.

Christmas gift cheques are sent to all Sussex Masons, or their dependents, who receive Grand Charity Support and also to children under the age of 18 with Sussex Masonic connections who were in the care of The Royal Masonic Trust for Girls and Boys, now the Masonic Charitable Foundation.

The Trustees would also like to express their thanks to the Brethren who give their time to provide for the proper administration of the Province, especially in the Charities Office, who were supported by one part time paid member of staff.

PLANS FOR THE FUTURE

In the short term, the trustees intend for the charity to continue to pursue its charitable objects, continue its investment strategy, and to distribute the income generated in the form of grants and donations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was established as a Charitable Incorporated Organisation (CIO) on 5th March 2018 with a Constitution registered with the Charity Commission. The charity was formed following a merger with Sussex Masonic Charities (registration no. 212979) which itself was formed under a Deed of Trust dated 27 June 1941 and a deed of appointment dated 17 August 1961. Subsequently Sussex Masonic Charities ceased registration on 31st December 2019 after completion of a Merger Transfer Agreement which assigned all assets and liabilities to the new charitable foundation on 1st January 2019.

The trustees who served during the year were:

M B Harris, Chairman
G R Carr, Deputy Chairman (to 20 January 2021) (resigned 28 March 2021)
T J Ashdown, Deputy Chairman (from 20 January 2021)
C Dann
V J Heal (resigned 20 January 2021)
R P Ison
R A Needham (appointed 23 January 2020)
B D Rogers
Dr R M Wicks (appointed 23 January 2020)
R Wigmore (resigned 20 January 2021)
C Ballard (appointed 23 January 2021)
P Lang (appointed 23 January 2021)

Trustees are appointed at a properly convened meeting of the charity trustees and by a resolution passed by two-thirds or more of the charity trustees at the time. The term of office is not fixed.

The charity trustees will make available to each new charity trustee, on or before his first appointment: a copy of the current version of this constitution; and a copy of the CIO's latest Trustees' Annual Report and statement of accounts. Additionally, they are given a series of teach ins to inform them of the structure of the various trusts within the Charity and the policies determined by the Trustees from time to time regarding the form of charitable giving. They are also made aware of the obligations of each Trustee in law and the need to ensure proper

Trustees' report (continued)
For the year ended 31 December 2020

accounting and investment of funds.

There must be at least three charity trustees. If the number falls below this minimum, the remaining trustee or trustees may act only to call a meeting of the charity trustee or appoint a new charity trustee. The maximum number of charity trustees is fifteen. The charity trustees may not appoint any charity trustee if as a result the number of charity trustees would exceed the maximum.

The Trustees and Officers usually meet six times a year to receive reports and make decisions. However from March 2020, Trustees and Officers have met monthly via virtual meeting spaces. Important decisions required between Trustee meetings are dealt with through the Chairman of the Trustees in consultation with other Trustees as necessary. The decisions are then reported to the board of Trustees at their next meeting for ratification.

To facilitate effective operation of the Charity, the Trustees have delegated responsibility for the day to day administration of the Charity to the Provincial Almoner, Charity Steward and Treasurer, assisted by the Secretary to the Trustees and one member of staff. No Trustees are remunerated or reimbursed for their time or expenses.

Investment Powers

The Trustees have powers to:

- (i) appoint a proper and competent person as investment manager,
- (ii) delegate to them discretionary powers in relation to the management of the Charity's investments, and
- (iii) appoint a corporate body, as the Trustees nominee, to hold the investments of the Charity.

The Trustees have appointed Canaccord Genuity Limited to oversee the portfolio and make recommendations. The Trustees retain the right to decide what is bought or sold.

Risk management

As part of its ongoing risk assessment and risk assessment management, the major risks to which the Charity is exposed are continually reviewed and the findings notified to the Trustees at regular meetings or by other communication methods between meetings. The Trustees are satisfied that appropriate measures are being implemented to mitigate the effects of these risks.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
M B Harris
(Chairman)
Date: 13 May 2021

Sussex Masonic Charitable Foundation, CIO

Statement of Trustees' responsibilities For the year ended 31 December 2020

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:

.....
M B Harris
(Chairman)
Date: 13 May 2021

Independent auditor's report to the Members of Sussex Masonic Charitable Foundation, CIO

Opinion

I have audited the financial statements of Sussex Masonic Charitable Foundation, CIO (the 'charity') for the year ended 31 December 2020 which comprise the Statement of financial activities, the Balance sheet, and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In my opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I 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 I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

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

**Independent auditor's report to the Members of Sussex Masonic Charitable Foundation, CIO
(continued)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and my Auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Matters on which we are required to report by exception

I have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires me to report to you if, in my opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Independent auditor's report to the Members of Sussex Masonic Charitable Foundation, CIO
(continued)**

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

My 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 my 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. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below:

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the charity and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, employment law and GDPR. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Accounting and Reporting by Charities: Statement of Recommended Practice. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional

**Independent auditor's report to the Members of Sussex Masonic Charitable Foundation, CIO
(continued)**

scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Use of my report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My audit work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for my audit work, for this report, or for the opinions I have formed.

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor
Worthing

28 May 2021

Kreston Reeves LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities
For the year ended 31 December 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	12,347	346,675	359,022	389,547
Other trading activities		12,676	-	12,676	23,410
Investments	4	75,475	-	75,475	67,139
Other income	5	1,798	-	1,798	-
Total income		102,296	346,675	448,971	480,096
Expenditure on:					
Raising funds	6,7	32,717	-	32,717	49,304
Charitable activities	8	8,946	343,623	352,569	365,835
Total expenditure		41,663	343,623	385,286	415,139
Net income before net (losses)/gains on investments		60,633	3,052	63,685	64,957
Net (losses)/gains on investments		(161,494)	-	(161,494)	154,687
Net (expenditure)/income		(100,861)	3,052	(97,809)	219,644
Transfers between funds	16	330,636	(330,636)	-	-
Net movement in funds		229,775	(327,584)	(97,809)	219,644
Reconciliation of funds:					
Total funds brought forward		1,176,293	869,872	2,046,165	1,826,521
Net movement in funds		229,775	(327,584)	(97,809)	219,644
Total funds carried forward		1,406,068	542,288	1,948,356	2,046,165

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 13 to 27 form part of these financial statements.

Sussex Masonic Charitable Foundation, CIO

Balance sheet As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	10,441	-
Investments	13	1,436,681	1,602,374
		<u>1,447,122</u>	<u>1,602,374</u>
Current assets			
Stocks		12,583	4,120
Debtors	14	346,904	332,700
Cash at bank and in hand		168,280	136,431
		<u>527,767</u>	<u>473,251</u>
Creditors: amounts falling due within one year	15	(26,533)	(29,460)
Net current assets		<u>501,234</u>	<u>443,791</u>
Total net assets		<u><u>1,948,356</u></u>	<u><u>2,046,165</u></u>
Charity funds			
Restricted funds	16	542,288	869,872
Unrestricted funds	16	1,406,068	1,176,293
Total funds		<u><u>1,948,356</u></u>	<u><u>2,046,165</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
M B Harris
(Chairman)

.....
T J Ashdown
(Deputy Chairman)

Date: 13 May 2021

The notes on pages 13 to 27 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2020**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Sussex Masonic Charitable Foundation, CIO meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

If the CIO is wound up, the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debt and liabilities.

1.2 Going concern

At the date of this report, there exists considerable uncertainty regarding the potential impact of the Coronavirus and the economic consequences, both within the U.K. and overseas, which may result from government policies to contain the spread. The duration and geographical extent of any possible lockdown or future government policies are unknown. Whilst we are unable to predict what the economic consequences may be and the impact on the charity's future ability to continue trading, we have continued to use the going concern basis as appropriate in the preparation of these accounts.

1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**Notes to the financial statements
For the year ended 31 December 2020**

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost. Tangible fixed assets are capitalised if they can be used for more than 1 year and cost at least £1,000.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 8 years on a straight line basis
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1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and 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 account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies (continued)

1.12 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The charity has made one key estimate:

- The London and Capital investment made has been impaired by £80,000 following the company going into administration in early 2019 to reflect its true value in line with the liquidator's estimate of amounts to be recovered.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations			
Donations	12,347	75,144	87,491
Sussex for Sussex	-	271,531	271,531
Legacies	-	-	-
	<u>12,347</u>	<u>346,675</u>	<u>359,022</u>

Notes to the financial statements
For the year ended 31 December 2020

3. Income from donations and legacies (continued)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations			
Donations	27,140	14,975	42,115
Sussex for Sussex	-	342,432	342,432
Legacies	5,000	-	5,000
	-	-	-
	<u>32,140</u>	<u>357,407</u>	<u>389,547</u>

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Income from listed investments	54,821	54,821
Interest received	20,654	20,654
	<u>75,475</u>	<u>75,475</u>

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Income from listed investments	56,085	-	56,085
Interest received	-	11,054	11,054
	<u>56,085</u>	<u>11,054</u>	<u>67,139</u>

5. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Grant income	1,798	1,798	-

Income from government grants is recognised when the Charity has met the conditions or incurred the expenditure attaching to the grant and it is probable that the grant will be received.

Notes to the financial statements
For the year ended 31 December 2020

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £
Rituals and teddy bear expenses	4,716	4,716

	Unrestricted funds 2019 £	Total funds 2019 £
Rituals and teddy bear expenses	20,824	20,824

Fundraising trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £
Support costs allocation	27,392	27,392

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Support costs allocation	780	27,434	28,214

Notes to the financial statements
For the year ended 31 December 2020

7. Investment management costs

	Unrestricted funds 2020 £	Total funds 2020 £
Investment management fees	609	609
	<hr/> <hr/>	<hr/> <hr/>
	Unrestricted funds 2019 £	Total funds 2019 £
Investment management fees	266	266
	<hr/> <hr/>	<hr/> <hr/>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Masonic Donations	-	13,722	13,722
Sussex 4 Sussex Donations	-	308,611	308,611
Other non-masonic donations	8,946	21,290	30,236
	<hr/> 8,946 <hr/>	<hr/> 343,623 <hr/>	<hr/> 352,569 <hr/>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Masonic Donations	7,817	10,136	17,953
Sussex 4 Sussex Donations	1,688	302,130	303,818
Other non-masonic donations	44,064	-	44,064
	<hr/> 53,569 <hr/>	<hr/> 312,266 <hr/>	<hr/> 365,835 <hr/>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements
For the year ended 31 December 2020

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Masonic Donations	13,722	-	13,722
Sussex 4 Sussex Donations	281,218	27,393	308,611
Other non-masonic donations	30,236	-	30,236
	<u>325,176</u>	<u>27,393</u>	<u>352,569</u>

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Masonic Donations	10,136	7,817	17,953
Sussex 4 Sussex Donations	283,421	20,397	303,818
Other non-masonic donations	44,064	-	44,064
	<u>337,621</u>	<u>28,214</u>	<u>365,835</u>

Analysis of direct costs

	Masonic Donations 2020 £	Sussex for Sussex Donations 2020 £	Other non- masonic donations 2020 £	Total funds 2020 £
Advertising	-	222	-	222
Direct charitable costs	-	-	1,500	1,500
Donations to other charities	-	-	19,418	19,418
Grants to individuals	-	-	9,220	9,220
Masonic donations (PGM Relief)	13,693	-	-	13,693
Postage, printing & stationery	29	-	-	29
Sundry expenses	-	5	98	103
Sussex for Sussex donations	-	280,991	-	280,991
	<u>13,722</u>	<u>281,218</u>	<u>30,236</u>	<u>325,176</u>

Notes to the financial statements
For the year ended 31 December 2020

9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Masonic Donations 2019 £	Sussex for Sussex Donations 2019 £	Other non- masonic donations 2019 £	Total funds 2019 £
Donations to other charities	-	-	44,064	44,064
Masonic donations (PGM Relief)	10,136	-	-	10,136
Sussex for Sussex donations	-	283,421	-	283,421
	<u>10,136</u>	<u>283,421</u>	<u>44,064</u>	<u>337,621</u>

Analysis of support costs

	Masonic Donations 2020 £	Sussex for Sussex Donations 2020 £	Total funds 2020 £
Depreciation	-	55	55
Bank charges	-	139	139
Office equipment and expenses	-	675	675
Staff expenses	-	2,330	2,330
Legal & professional costs	-	800	800
Printing, postage & stationery	-	629	629
Contribution for office services	-	7,500	7,500
Sundry expenses	-	3,780	3,780
Wages and salaries	-	11,720	11,720
Telephone	-	(300)	(300)
Trustees expenses	-	65	65
	<u>-</u>	<u>27,393</u>	<u>27,393</u>

**Notes to the financial statements
For the year ended 31 December 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Masonic Donations 2019 £	Sussex for Sussex Donations 2019 £	Total funds 2019 £
Office equipment & expenses	-	6,341	6,341
Staff expenses	-	1,688	1,688
Printing, postage and stationery	-	788	788
Administration costs	7,817	-	7,817
Contribution for office services	-	7,500	7,500
Governance costs	-	4,080	4,080
	<u>7,817</u>	<u>20,397</u>	<u>28,214</u>

10. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £7,560 (2019 - £6,900).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses totalling £129 were reimbursed or paid directly to 8 Trustees (2019 - £1,741 to 11 Trustees).

Notes to the financial statements
For the year ended 31 December 2020

12. Tangible fixed assets

	Computer equipment £
Cost	
Additions	10,551
At 31 December 2020	<u>10,551</u>
Depreciation	
Charge for the year	110
At 31 December 2020	<u>110</u>
Net book value	
At 31 December 2020	<u><u>10,441</u></u>
At 31 December 2019	<u><u>-</u></u>

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2020	1,602,374
Additions	46,999
Disposals	(70,330)
Revaluations	(142,362)
At 31 December 2020	<u><u>1,436,681</u></u>
Net book value	
At 31 December 2020	<u><u>1,436,681</u></u>
At 31 December 2019	<u><u>1,602,374</u></u>

All the fixed asset investments are held in the UK.

The historical cost of the investments above total £1,174,461 (2019:£1,166,003).

As at 31 December 2020, no investments were held in restricted funds due to the transfer of the Bennett Bequest Fund to unrestricted funds (see note 14). In 2019, £272,749 of the listed investments were related to restricted funds.

Sussex Masonic Charitable Foundation, CIO

**Notes to the financial statements
For the year ended 31 December 2020**

14. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	264,950	273,516
	264,950	273,516
Due within one year		
Other debtors	81,954	59,184
	346,904	332,700

15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	13,855	21,900
Accruals and deferred income	12,678	7,560
	26,533	29,460

Notes to the financial statements
For the year ended 31 December 2020

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds						
General Fund	1,176,293	102,296	(41,663)	330,636	(161,494)	1,406,068
Restricted funds						
Provincial Grand Master's Relief Fund	71,044	13,487	(13,722)	-	-	70,809
Bennett Bequest	330,636	-	-	(330,636)	-	-
Sussex Masonic Fund	40,084	-	(21,290)	-	-	18,794
Sussex for Sussex Fund	403,416	331,047	(308,611)	-	-	425,852
Sussex Royal Arch Fund	14,673	2,141	-	-	-	16,814
Wilkins Bequest	10,019	-	-	-	-	10,019
	869,872	346,675	(343,623)	(330,636)	-	542,288
Total of funds	2,046,165	448,971	(385,286)	-	(161,494)	1,948,356

Notes to the financial statements
For the year ended 31 December 2020

16. Statement of funds (continued)

The Provincial Grand Master's Relief Fund

The Provincial Grand Master's Relief Fund consists of funds utilised for the granting of relief to Sussex Freemasons (including Tylers of Sussex Lodges), their widows and their children and is administered by the Trustees on his behalf.

The Bennett Bequest Fund

The Bennett Bequest Fund consists of funds, the income of which is utilised for charitable purposes in accordance with the terms of the will of the late Reginald Frank Bennett. During the year, this fund was transferred to the unrestricted fund following a review of the original paperwork which shows it is for use for general purposes of the charity.

Sussex Masonic Fund

The Sussex Masonic Fund was established when the Mid Sussex Masonic Trust donated its residual assets to the charity and payments can only be made for Masonic purposes.

Sussex for Sussex Fund

The Sussex for Sussex Fund is an initiative to support a wide range of registered charities in Sussex with no direct masonic connections. Applications are considered by the Trustees and awards made that generally support, but are not limited to; early years, later life, medical research and hospice care

Wilkins Bequest Fund

The Wilkins Bequest Fund consists of funds to be utilised in accordance with charitable purposes decided under the sole discretion of Tilsmore Lodge in accordance with the terms of the will of the late Roger Reginald Thomas Wilkins.

Royal Arch Fund

The SRAF was established when the Sussex Royal Arch Benevolent Fund transferred its assets to the umbrella of Sussex masonic Charities in 2017 to be allocated by Trustees for masonic and charitable purposes as decided by the Trustees of Sussex Masonic Charities.

Notes to the financial statements
For the year ended 31 December 2020

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds					
General Fund	983,486	111,635	(75,439)	156,611	1,176,293
Restricted funds					
Provincial Grand Master's Relief Fund	71,742	9,438	(10,136)	-	71,044
Bennett Bequest	321,506	11,054	-	(1,924)	330,636
Sussex Masonic Fund	46,684	-	(6,600)	-	40,084
Sussex for Sussex Fund	382,948	342,432	(321,964)	-	403,416
Sussex Royal Arch Fund	9,136	5,537	-	-	14,673
Wilkins Bequest	11,019	-	(1,000)	-	10,019
	843,035	368,461	(339,700)	(1,924)	869,872
Total of funds	1,826,521	480,096	(415,139)	154,687	2,046,165

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	10,441	-	10,441
Fixed asset investments	1,436,681	-	1,436,681
Debtors due after more than one year	264,950	-	264,950
Current assets	(279,471)	542,288	262,817
Creditors due within one year	(26,533)	-	(26,533)
Total	1,406,068	542,288	1,948,356

Notes to the financial statements
For the year ended 31 December 2020

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Fixed asset investments	1,329,625	272,749	1,602,374
Debtors due after more than one year	273,516	-	273,516
Current assets	(397,388)	597,123	199,735
Creditors due within one year	(29,460)	-	(29,460)
Total	1,176,293	869,872	2,046,165

18. Grant commitments

The charity has approved of a £50,000 grant to Chichester Hospital to purchase some new equipment, however the hospital has not yet applied but the charity has committed to the expenditure.

19. Related party transactions

During the year donations were made to the charity by trustees through the individual lodges. All donations made were at arms length and had no conditions attached, these amounted to £1,665.

There were no other related party transactions that require disclosure.