

**THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC
CHARITABLE TRUST**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	N R Voice, Chairman C J Aspinell M D Childs Rev. J W A Harvey A M Weldycz I A Carnegie S M Baigent
Secretary	F Milner
Other officers	B Ridler, Treasurer
Charity number	202930
Principal address	85 Winchester Road Chandlers Ford Eastleigh Hampshire United Kingdom SO53 2GG
Auditor	Azets Audit Services Carnac Place Cams Hall Estate Fareham Hampshire United Kingdom PO16 8UY
Bankers	Lloyds Bank PLC 63 London Road Southampton Hampshire United Kingdom SO15 2US
Investment advisors	Charles Stanley & Co. Ltd Stockbrokers Vadatech House Hounsdown Business Park Bulls Copse Road Southampton Hampshire SO40 9LR United Kingdom

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

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THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Objects and aims

The charity's objects are to provide funds for the relief and benefit of Freemasons, their wives, widows and dependants who are in need or distress by reason of poverty, sickness, infirmity, and old age.

Objectives, strategies and activities

Awareness of the charity's ability to assist Freemasons and their dependants who are in such need is promoted through the various Masonic Lodges throughout the Masonic Province of Hampshire and Isle of Wight.

On receipt of a petition to provide such assistance to a Freemason, his wife, widow or dependants from a Masonic Lodge or other individual, an assessment is made after due enquiry as to the need and financial requirement to achieve relief for that need beyond the individual or family's own resources.

The Trustees will then consider that petition and if deemed appropriate make a financial grant to that individual or family. In a similar way, the Trustees will consider funding wholly or in part the provision of medical aids or equipment, specialist medical treatment, convalescence and respite holidays, and also the improvement of facilities for the disabled in Masonic centres for the benefit of disabled Freemasons and other members of the public who use those centres for local community activities.

In considering and enquiring into petitions the Trustees rely heavily on the voluntary support of a number of Masonic brethren, and they wish to express their sincere thanks to them all.

Public benefit

Whilst the principal aim of the charity is the relief and prevention of poverty among Freemasons, their wives, widows and dependants, the trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Over the years the charity has been able to make many grants to support distressed Masons and their families and, in the four meetings of the Trustees in 2021, new petitions for assistance were received from forty-five individuals. In addition to our normal assistance to distressed brethren, the Trustees were pleased to continue to help a great number of members following the outbreak of the COVID-19 pandemic in 2020. These were in the form of small grants for immediate support, prior to major funding sought from the Masonic Charities Foundation. The charity will continue to provide quality life payments in certain appropriate cases, and approve grants to aid Masonic centres in improving their facilities for the disabled.

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The financial position of the Trust is shown under the Statement of Financial Activities (page 6).

The majority of the income derives from the listed portfolio which generated £73,514 (2020 - £81,438). Governance and investment management costs amounted to £32,163 (2020 - £30,566).

The year's net movement in both funds resulted in a gain of £353,920 (2020 - loss of £166,513).

During the year, the trust has provided benevolent grants to forty-five (2020 - sixty-seven) individuals, which amounted to £35,665 (2020 - £60,468). Donations of £8,500 (2020 - £7,281) was made to three (2020 - two) other registered charities with similar objectives.

The split and details can be found in note 8 to the accounts which have been approved by the Board of Trustees.

Policy on reserves

The trustees' policy is to retain enough invested funds to generate sufficient income year on year indefinitely to meet all possible claims from the brethren, their widows and children in distressed financial circumstances, and to be able to provide assistance whenever possible to uplift their quality of life by such financial help, to assist with any pressing medical needs, and to assist other Masonic Charities with similar objects.

Going concern

Whilst the trustees' policy is to retain enough invested funds to generate sufficient income year on year indefinitely as a going concern, they recognise that when the value of investments fall significantly, and or investment rates decrease, the amount of distributable income available may, or will, limit their ability to meet all claims.

The trustees have entrusted the investment managers with managing the charity's portfolio as they see fit, to minimise negative outcomes.

Investment policy

Management of the investment funds has been delegated to Charles Stanley & Co who are bound by section 4 of the Trustees Act 2000 and the instructions of the trustees to have regard to the suitability to the Trust of the investments, the need for diversification of the investments so far as is appropriate to the Trust (with no more than 15% of the overall value of the portfolio in any one investment), and the overall risk remaining within a medium low risk profile. The trustees wish the portfolio to be compared against the FTSE APCIMS Balanced Index. No other constraints have been placed on the management of the portfolio.

Risks facing the charity

The trustees are not aware of any especial risks facing the charity.

Due to the level of reserves and cash held, any negative effects due to Coronavirus on the investments are not considered to be a significant threat to the charity.

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

Nature of governing document

The charity is a charitable trust which is governed by the by-laws adopted by the Provincial Grand Lodge of Hampshire and Isle of Wight titled "The Province of Hampshire & Isle of Wight Masonic Charitable Trust" previously known as "Hubert Giles Masonic Benevolent Trust" dated 16 July 1958 as amended on 9th July 1980, 3rd July 1991 and 20th November 2014.

The trust has been established to provide income to provide:

- a) Financial assistance to the necessitous children of Freemasons of the Province, whether the father of any such child is living or dead.
- b) Financial assistance in times of distress to Freemasons and widows of Freemasons of the Province.
- c) Assistance to the funds of any of the Masonic Charities as may be approved by the trustees.

The charity is a charitable trust of which the main source of income is from the dividends received or from the realisation of the listed investments. The treasurer is responsible for most of the day to day running of the charity with the trustees exercising overall controls. All grants and donations paid are authorised by the board of trustees.

Recommendations and petitions for deserving cases are generally submitted by Lodge or Area Almoners, who also assist the trustees with their enquiries. All are volunteers and there are no paid employees of the charity.

The trustees who served during the year and up to the date of signature of the financial statements were:

N R Voice, Chairman
C J Aspinell
M D Childs
Rev. J W A Harvey
A M Weldycz
I A Carnegie
S M Baigent

Recruitment and appointment of trustees

Under the amendments to the by-laws adopted on 20th November 2014, five separate groups of Freemasons holding office within the Province of Hampshire and Isle Wight, elect or appoint one trustee each, the groups being:

1. The Provincial Grand Master for the time being.
2. The Deputy and Assistant Provincial Grand Masters for the time being.
3. The Provincial Grand Almoner and Area Almoners for the time being.
4. The Provincial Grand Charity Steward, Provincial Grand Mentor and Area Mentors for the time being.
5. The Chairmen for the time being of the six administrative Areas of the Province.

Each of these five trustees shall serve for a period of up to four years, but can serve for a second four year term.

In addition, these five trustees may co-opt two additional trustees to serve for four year terms.

All trustees nominated, appointed or co-opted should be Freemasons with appropriate experience and expertise and replacements should be on a staggered basis to preserve continuity. No member of the principal administrative committee of the Masonic Province of Hampshire and Isle of Wight (the "Cabinet") should be a trustee. All trustees give of their own time freely and receive no remuneration or benefits for their services.

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of trustees' responsibilities

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).

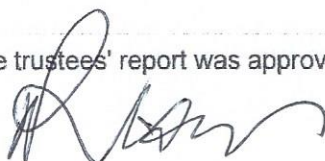
The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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 the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 in operation.

The trustees are responsible for keeping sufficient 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 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.

The trustees' report was approved by the Board of Trustees.



N R Voice, Chairman

Trustee

Dated: 24th August 2022

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

Opinion

We have audited the financial statements of The Province of Hampshire and Isle of Wight Masonic Charitable Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet and the 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 charity's affairs as at 31 December 2021 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

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 charity 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 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.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 this gives rise to 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.

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

We 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.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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 our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) 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 now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

Use of our 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. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Zara Hogg FCA, BA (Hons) (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

26 August 2022
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Chartered Accountants
Statutory Auditor

Carnac Place
Cams Hall Estate
Fareham
Hampshire
United Kingdom
PO16 8UY

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
Income and endowments from:							
Donations and legacies	3	5,615	-	5,615	4,910	-	4,910
Investments	4	67,694	-	67,694	85,016	-	85,016
Other income	5	-	43,922	43,922	-	-	-
Total income and endowments		73,309	43,922	117,231	89,926	-	89,926
Expenditure on:							
Raising funds	6	22,821	-	22,821	21,034	-	21,034
Charitable activities	7	53,508	-	53,508	77,281	-	77,281
Total resources expended		76,329	-	76,329	98,315	-	98,315
Net gains/(losses) on investments	13	-	313,018	313,018	-	(158,124)	(158,124)
Net movement in funds		(3,020)	356,940	353,920	(8,389)	(158,124)	(166,513)
Fund balances at 1 January 2021		346,083	3,917,318	4,263,401	354,472	4,075,442	4,429,914
Fund balances at 31 December 2021		343,063	4,274,258	4,617,321	346,083	3,917,318	4,263,401

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

All income and expenditure derive from continuing activities.

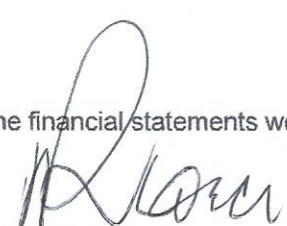
THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14	19,556		36,617	
Investments	15	4,356,385		3,683,413	
		<u>4,375,941</u>		<u>3,720,030</u>	
Debtors	16	5,002		6,344	
Investments	17	169,240		151,304	
Cash at bank and in hand		81,793		399,574	
		<u>256,035</u>		<u>557,222</u>	
Creditors: amounts falling due within one year	18	(14,655)		(13,851)	
Net current assets		<u>241,380</u>		<u>543,371</u>	
Total assets less current liabilities		<u>4,617,321</u>		<u>4,263,401</u>	
Capital funds					
General endowment funds		4,274,258		3,917,318	
	19	<u>4,274,258</u>		<u>3,917,318</u>	
Income funds					
Unrestricted funds		343,063		346,083	
		<u>4,617,321</u>		<u>4,263,401</u>	

The financial statements were approved by the Trustees on 24/08/2022


N R Voice, Chairman
Trustee

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Province of Hampshire and Isle of Wight Masonic Charitable Trust is a non-corporate charity registered in England and Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has applied Update Bulletin 1 and chosen not to prepare a Statement of Cash Flows on the grounds it is applying FRS 102 Section 1A.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the trustees' policy is to retain enough invested funds to generate sufficient income year on year indefinitely as a going concern, they recognise that when the value of investments fall significantly, and or investment rates decrease, the amount of distributable income available may, or will, limit their ability to meet all claims.

The trustees have entrusted the investment managers with managing the charity's portfolio as they see fit, to minimise negative outcomes.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Resources expended

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in the management of investments.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant expenditure

Grants payable are payments made to the third parties in the furtherance of the charitable objectives. Where the charity provides grants with conditions for payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant had provided the specific service or output.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain the control of the charity.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings

2% per annum straight line basis

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	5,615	4,910
	<u> </u>	<u> </u>
Donations and gifts		
Lodges	5,340	3,430
Private	275	200
Miscellaneous	-	1,280
	<u> </u>	<u> </u>
	5,615	4,910
	<u> </u>	<u> </u>

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Investments

	Unrestricted funds	Total
	2021 £	2020 £
Net rental surplus / (loss)	(5,843)	1,361
Income from listed investments	73,514	81,438
Interest receivable	23	2,217
	<u>67,694</u>	<u>85,016</u>

Analysis of rental income

Net rental surplus / (loss) is the net amount of gross rent received of £6,795 (2020: £12,866) and total expenses of £12,638 (2020: £11,505).

Total expenses comprises of repairs of £2,083 (2020: £993), service charges of £8,246 (2020: £9,522) and depreciation of £660 (2020: £990).

5 Other income

	Endowment funds general	Total
	2021 £	2020 £
Net gain on disposal of tangible fixed assets	<u>43,922</u>	<u>-</u>

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Investment management	<u>22,821</u>	<u>21,034</u>
	<u>22,821</u>	<u>21,034</u>

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Charitable activities

	Grant funding of activity 2021 £	Activity undertaken directly 2021 £	Total 2021 £	Total 2020 £
Grant funding of activities (see note 8)	44,165	-	44,165	67,749
Share of governance costs (see note 9)	-	9,343	9,343	9,532
	<u>44,165</u>	<u>9,343</u>	<u>53,508</u>	<u>77,281</u>

8 Grants payable

	Grant funding of activity 2021 £	Grant funding of activity 2020 £
Grants to institutions:		
Christchurch Masonic Hall	-	5,206
Lodge Almoners Event	-	2,075
Association of Friends of Shannon Court	1,000	-
Zetland Court	1,000	-
Kings Court Masonic Centre	6,500	-
	<u>8,500</u>	<u>7,281</u>
Grants to individuals	35,665	60,468
	<u>44,165</u>	<u>67,749</u>

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	5,463	5,463	-	6,152	6,152
Legal and professional	-	500	500	-	-	-
Management charges payable	-	3,000	3,000	-	3,000	3,000
Insurance	-	380	380	-	380	380
	-	9,343	9,343	-	9,532	9,532
Analysed between Charitable activities	-	9,343	9,343	-	9,532	9,532

10 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor:	2021 £	2020 £
Audit of the charity's financial statements	5,463	6,152

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Employees

There were no employees during the year.

13 Net gains/(losses) on investments

	Endowment funds general 2021 £	Endowment funds general 2020 £
Revaluation of investments	274,519	195,458
Gain/(loss) on sale of investments	38,499	(353,582)
	313,018	(158,124)

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Leasehold land and buildings £
Cost	
At 1 January 2021	52,824
Disposals	(21,143)
	<hr/>
At 31 December 2021	31,681
	<hr/>
Depreciation and impairment	
At 1 January 2021	16,207
Depreciation charged in the year	660
Eliminated in respect of disposals	(4,742)
	<hr/>
At 31 December 2021	12,125
	<hr/>
Carrying amount	
At 31 December 2021	19,556
	<hr/> <hr/>
At 31 December 2020	36,617
	<hr/> <hr/>

These assets are held by the charity for use in its charitable activities. The Trustees estimate that the current market value of the property is approximately £120,000 (2020 - £180,000).

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	3,683,413
Additions	1,958,408
Valuation changes	274,519
Disposals	(1,559,955)
	<hr/>
At 31 December 2021	4,356,385
	<hr/>
Carrying amount	
At 31 December 2021	4,356,385
	<hr/> <hr/>
At 31 December 2020	3,683,413
	<hr/> <hr/>

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Fixed asset investments		(Continued)	
	2021 £	2020 £	
Listed investments carrying amount	3,960,892	3,415,114	
Market value if different from carrying amount	4,356,385	3,683,413	
16 Debtors		2021 £	2020 £
Amounts falling due within one year:			
Other debtors		5,002	6,344
17 Current asset investments		2021 £	2020 £
Cash deposits		169,240	151,304
18 Creditors: amounts falling due within one year		2021 £	2020 £
Accruals		14,655	13,851
19 Endowment funds			

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds			Movement in funds		
	Balance at 1 January 2020 £	Incoming resources £	Revaluations gains and losses £	Balance at 1 January 2021 £	Revaluations gains and losses £	Balance at 31 December 2021 £
Expendable endowments						
Endowment	4,075,442	-	(158,124)	3,917,318	356,940	4,274,258
	4,075,442	-	(158,124)	3,917,318	356,940	4,274,258

THE PROVINCE OF HAMPSHIRE AND ISLE OF WIGHT MASONIC CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Analysis of net assets between funds

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	General	Expendable		General	Expendable	
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:						
Tangible assets	-	19,556	19,556	-	36,617	36,617
Investments	-	4,356,385	4,356,385	-	3,683,413	3,683,413
Current assets/ (liabilities)	343,063	(101,683)	241,380	346,083	197,288	543,371
	<u>343,063</u>	<u>4,274,258</u>	<u>4,617,321</u>	<u>346,083</u>	<u>3,917,318</u>	<u>4,263,401</u>

21 Financial commitments

The charity is operating rent free from the offices of the Provincial Grand Lodge of Hampshire and Isle of Wight. The trustees consider that the financial benefits are not significant and hence no adjustment is to be made in the financial statements.

The total amount of other financial commitments not provided for in the financial statements was £nil (2020: £nil).

22 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Management and Insurance Fees	
	2021	2020
	£	£
Provincial Grand Lodge	3,380	3,380
	<u>3,380</u>	<u>3,380</u>

There was one related party transaction in the year relating to an expense paid for by a trustee and reimbursed by the charity for £26 (2020: £nil).