

Charity Registration Number: 207781

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE
FINANCIAL STATEMENTS
31 AUGUST 2020**

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees of The Order of the Secret Monitor Fund of Benevolence present their report and the financial statements for the year ended 31 August 2020.

LEGAL AND ADMINISTRATIVE DETAILS

The Charity is The Order of The Secret Monitor Fund of Benevolence and is a registered charity under registration number 207781. The Charity's address is 86 St James's Street, London, SW1A 1PL.

TRUSTEES

The Trustees of The Order of the Secret Monitor Fund of Benevolence, who served during the year and to the date of signing this report, are:

G Flight
M Guest
R J Smith

Newly appointed Trustees receive an induction from the President and Grand Treasurer and attend training courses as necessary.

ORGANISATION

The members of the Executive Committee are responsible for the administration of all aspects of The Order of the Secret Monitor Fund of Benevolence.

The members of the Executive Committee of The Order of the Secret Monitor are:

Ex officio, appointed by the Grand Supreme Ruler with the exception of the Grand Treasurer who is elected by The Order of the Secret Monitor

His Hon I D G Alexander, QC
C J Aspinell
I M Campbell
P R Crudge
C M L Davies
G L Gill
J R Hodge
D Littlewood (Appointed 12 November 2020)
H S Markham
R A H Morrow
P E Ribí (Retired 12 November 2020)
J J Singleton
J S Stevens
I R Sullivan
A C Sweeney
A J Van der Burgh

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

PRINCIPAL ADVISERS

BANKERS

Clydesdale Bank plc
146-158 Kensington High Street
London
W8 7RL

AUDITOR

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

INVESTMENT MANAGERS

J M Finn & Co Ltd
4 Coleman Street
London
EC2R 5TA

CONSTITUTIONS AND OBJECTS

The Order of the Secret Monitor Fund of Benevolence is governed by both statute (Charities Act 2011) and the Constitutions and Regulations of The Order of the Secret Monitor dated 1 November 1960.

The trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Charity is reviewing its current governance arrangements against the principles within the code and will address any issues raised where required.

The objects of the charity are the Relief of Needy Members of the Order and certain of their Dependants and the trustees achieve these by making payments of grants to the needy and making charitable grants for purposes specifically sanctioned by Grand Conclave.

The Order of the Secret Monitor Fund of Benevolence is supported by contributions from Brethren, Ladies, Conclaves and Provinces and these may take the form of either donations, covenants, legacies or bequests. The Charity has not engaged with third parties to raise funds and there has been no direct approach to members of the public for funding. A significant amount of the charity's income is from investments. No complaints were received in relation to our fundraising activities.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on the strategy towards and the achievements of the Charity against its objectives.

GRANT MAKING POLICY

The payments of grants are made to the needy and for such other charitable purposes as specifically sanctioned by Grand Conclave.

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

RESERVES POLICY

At 31 August 2020, the free reserves amounted to £892,473 (2019 – £876,799). The Trustees believe that the level of reserves should provide a safety net for downturns in the market as well as building up for large donations in the future. However, the Trustees are aware that the reserves are high and are continuing to review the level held.

The Trustees consider that there are sufficient reserves held at 31 August 2020 to manage any foreseeable downturn in the UK economy. The Trustees consider that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and, for this reason, the Trustees continue to adopt the going concern basis in preparing the financial statements.

INVESTMENT POWERS

Investment powers are set out and operated within the provisions of the Trustee Act 2000. The investments are managed by the Investment Committee, who are advised by J M Finn & Co Limited.

INVESTMENT POLICY AND PERFORMANCE

The policy of the trust deed is to provide grants in relief of need for members and their dependants and, from time to time, to make grants to worthy causes. The sources of income for the fund are donations from the members and any investment income (including capital gains).

In accordance with these aims, the funds are managed by J M Finn & Co Limited. The Investment Committee, appointed by the Trustees, reviews the funds on a regular basis.

Changes are made to the investments held on the basis of seeking to maintain the existing funds and to increase them so far as possible. The intention is to invest in securities, which are likely to increase in value (including providing increased dividends), rather than by any other criteria. The value of the investments at the balance sheet date was £748,410.

ACTIVITIES

The amount of grants paid in the year to 31 August 2020 amounted to £12,215 (2019: £17,861).

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming/outgoing resources 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping 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 charity's constitution. 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.

AUDITOR

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by the Trustees on *26th February 2021* and signed on their behalf by


R.J. Smith
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ORDER OF THE SECRET MONITOR FUND OF BENEVOLENCE

Opinion

We have audited the financial statements of The Order of the Secret Monitor Fund of Benevolence for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

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

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

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

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

We have nothing to report in this regard.

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 and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 liquidate the charity or 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Date: 26 February 2021

Crowe U.K.LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:			
Generated funds			
Donations		12,296	8,137
Investments		23,591	24,222
Total incoming resources		35,887	32,359
EXPENDITURE ON:			
Raising funds			
- Investment management fees		3,582	3,512
Charitable expenditure			
- Grant making	3	12,215	17,861
Total resources expended		15,797	21,373
OPERATING SURPLUS		20,090	10,986
Net realised and unrealised gains/(losses)		(4,416)	17,017
NET INCOME / (EXPENDITURE)		15,674	28,003
NET MOVEMENT IN FUNDS		15,674	28,003
FUND BALANCES			
As at 1 September 2019		876,799	848,796
FUND BALANCES CARRIED FORWARD		892,473	876,799

All of the above are represented by continuing operations and are unrestricted. There are no recognised gains or losses other than those shown above.

The notes on page 9 to 11 form part of these financial statements.

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE
BALANCE SHEET
31 AUGUST 2020**

	Notes	2020 £	£	2019 £
FIXED ASSET INVESTMENTS				
Quoted securities at market value	4	748,410		756,407
Cost £564,077 (2019 – £562,380)				
CURRENT ASSETS				
Debtors		6,775		430
Cash at bank		137,288		119,962
		<u>144,063</u>		<u>120,392</u>
CURRENT LIABILITIES				
Sundry creditors		0		0
		<u>0</u>		<u>0</u>
NET CURRENT ASSETS			<u>144,063</u>	<u>120,392</u>
TOTAL ASSETS			<u>892,473</u>	<u>876,799</u>
Represented by:				
UNRESTRICTED FUNDS			<u>892,473</u>	<u>876,799</u>

Approved by the Board and authorised for issue on 24 February 2021 and signed on their behalf by:

R. A. H. Morrow

**R A H Morrow
Grand Treasurer**

The notes on page 9 to 11 form part of these financial statements.

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. CHARITY INFORMATION

The Charity is a Public Benefit Entity registered as an unincorporated charity in England and Wales (registration no. 207781) and operates from its registered office Mark Masons' Hall, 86 St. James's Street, London, SW1A 1PL.

2. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a "true and fair" view and 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102.

Having considered post year end results and reserves, and the impact of Covid-19, the Trustees consider the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties. Accordingly, the accounts have been prepared on a going concern basis.

(b) Investments

Fixed asset investments are revalued to market value at the balance sheet date and the surplus or deficit of this revaluation represents unrealised gains or losses.

The differences between the carrying value (or cost if acquired in the year) and the proceeds of investments disposed of represent realised investment gains or losses.

Net realised and unrealised gains or losses are shown as a combined figure in the Statement of Financial Activities.

(c) Incoming Resources

Donations are accounted for on a receipts basis. Income from investments and bank interest is recognised on an accruals basis.

(d) Resources Expended

Expenditure is accounted for on an accruals basis. Charitable expenditure represents payments of grants. Governance costs represent the costs of the statutory running of the charity.

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020 (CONTINUED)**

(e) Financial Instruments

The charity 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with accrued income. Financial liabilities held at amortised cost comprise grants payable and accruals. Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

(f) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

3. GRANTS

From the total grants paid of £12,215, £nil was paid to individuals and the total was paid to various external charities as approved by the Executive Council.

4. INVESTMENTS

	2020	2019
	£	£
Market value at 1 September 2019	756,407	743,912
Less: Disposal proceeds	(100,463)	(92,757)
Add: Additions at cost	96,882	88,235
Net realised and unrealised gains (losses)	<u>(4,416)</u>	<u>17,017</u>
Market value at 31 August 2020	<u>748,410</u>	<u>756,407</u>
Historic cost	<u>564,077</u>	<u>562,380</u>

**THE ORDER OF THE SECRET MONITOR
FUND OF BENEVOLENCE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020 (CONTINUED)**

4. INVESTMENTS (CONTINUED)

All investments are listed on a recognised stock exchange and managed in the UK by J M Finn & Co Limited. The investments at the year-end comprised:

	2020	2019
Fixed interest	99,142	96,464
Equities	480,632	499,467
Other	168,636	160,476
	<u>748,410</u>	<u>756,407</u>

Unrealised gains/(losses) amounting to £184,333 (2019: £194,026) are based on a valuation at the year-end which is unlikely to equate to the actual gains and losses which will arise on the subsequent realisation of these investments.

5. TRUSTEE REMUNERATION

No Trustee received any remuneration or reimbursement of expenses during the current or previous year.

6. RELATED PARTIES

There are no related party transactions in the reporting period.