

**SHROPSHIRE MASONIC CHARITABLE ASSOCIATION**

**Charity Registration No. 216754**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	J R Weaver	(Appointed 2 September 2020)
	R B Pemberton	
	A Cadman	
	P Robinson	
	N Garavini	(Appointed 2 September 2020)
	D J Hill	
	J C Hollick	
	D Foulkes	
	D P Price	
	S D Aucott	
	D J Kettle	
	R Brooks	
	P Mills	
	S Wilson	(Appointed 2 September 2020)
<b>Charity number</b>	216754	
<b>Auditor</b>	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA	

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# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

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# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 DECEMBER 2020*

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The trustees present their report and financial statements for the year ended 31 December 2020.

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 association's By-laws, 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) (effective 1 January 2019)".

#### **Objectives and activities**

The general objects of the Association are to increase the amount, and render more effective the collection, application and administration of the funds raised in the Province of Shropshire for Masonic and Non-Masonic charitable purposes. To achieve this two funds have been established, called respectively the 'A' Fund and the 'B' Fund. These funds have now been renamed 'Central MCF' and 'Shropshire MCF', respectively. The funds consist of all donations and annual subscriptions paid to the Association. The allocation ratio of receipts between the Central MCF and Shropshire MCF Funds is approved by the members at the Annual General Meeting of the Association.

The Funds are applied as follows:

#### **Central MCF (Formerly 'A' Fund)**

For and on behalf of:-

i. Any or more of the Masonic Charitable Institutions managed under the umbrella of the Masonic Charitable Foundation (the MCF);

OR

ii. Such Non-Masonic charities as the members of the Association shall from time to time decide by resolution.

#### **Shropshire MCF (Formerly 'B' Fund)**

For:-

i. The Provincial Benefit;

AND

ii. The Association's working expenses fund.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the association should undertake. The trustees consider the objectives and activities of the association are of a public benefit.

The Association has very close relationships with the various Lodges and Chapters within the Province. As stated above, the Income of the Association is derived from the donations of the members of these Lodges, together with the subscriptions from the Lodges and Chapters.

#### **Achievements and performance**

At the start of the year the Association was focused on the Trust's main objectives:

- Raising funds for supporting Shropshire based non masonic charities and Shropshire Freemasons (and their families) in financial need.

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 DECEMBER 2020*

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In April, reacting to the escalating impact of the Coronavirus pandemic, the SMCA started a Coronavirus Emergency Relief Fund (CERF) with a transfer of £10k from Shropshire MCF to CERF, this fund was progressively topped up with donations from Lodges, Lodge members, and non-masonic members. The final amount donated to the fund was an amazing £21.85k. The key objective of the CERF fund was help mitigate the impact of the pandemic in Shropshire by supporting food banks and the production of items of PPE, as well as providing funding for young carers and domestic abuse charities – all of whom reported significant increases in referral rates as a result of Covid-19. In total 34 organisations were supported with much needed emergency funding.

In addition, during 2020 the Association donated £47.55k to non-masonic Shropshire based charities and made payments of £8.3k to members in financial need.

From 1st January 2020 membership donations were allocated as follows:

20% to the Central MCF (previously known as the “A” Fund)

80% to the Shropshire MCF (previously known as the “B” Fund)

#### **Financial review**

Incoming resources are 79% lower than 2019 and outgoing resources decreased by 78%. The 2020 income and donations continue to reflect the current economic conditions, however the committee's main objective for the year was to continue to support as many of the charity's beneficiaries as possible and the donations disclosed in these financial statements achieved this objective.

The investments held on behalf of the Pointon Forest Glen Trust have shown an increase in value of 3% compared to an increase of 21% in 2019. This increase/gain is due to a revaluation of the investments to market value at the year end.

The restricted fund has increased from £53,588 to £58,886. The restricted fund is made up of five funds, the Central MCF, the Coronavirus Emergency Relief Fund (CERF), the Teddies for Loving Care Appeal (TLC Appeal), the 2019 Festival Fund and the 2030 Festival Fund.

- The Central MCF is to support the four main Masonic Charitable Institutions managed under the umbrella of the Masonic Charitable Foundation.
- The CERF is to help mitigate the impact of the pandemic in Shropshire by supporting food banks and the production of items of PPE, as well as providing funding for young carers and domestic abuse charities – all of whom reported significant increases in referral rates as a result of Covid-19.
- The TLC Appeal is to fund teddy bears given to every child in hospital or attending at local accident and emergency centres.
- The 2019 Festival Fund is to provide funds for the finalisation of the 2019 Festival appeal, the sale of 2019 Festival merchandise and other Festival receipts.
- The 2030 Festival Fund is to receive and manage in a cost-effective manner, the donations to the 2030 Festival in support of the Freemasons' Grand Charity (one of the four Masonic Charities).

The endowment funds represent permanent and expendable endowments donated to be administered by the Association, the income from which is expended in accordance with the terms of the Trusts.

#### **Reserves policy**

The trustees of the Association have adopted a reserves policy regarding the unrestricted funds based on a target level of reserves to maintain their level of charitable donations for a period of three years. To this end, the trustees consider that the existing reserves are adequate for this purpose. Unrestricted funds total £154,732 at 31 December 2020 (2019: £190,201).

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### Investment Policy

The return on the funds invested remains low as a result of the interest rates prevailing, which have remained at an historic low for the year and there is little sign of an increase in the immediate future.

The committee have reviewed alternative investments which may provide a greater return. Such investments are higher risk than the current investments and the Committee does not feel that this potential increase in return warrants the exposure to that risk. Therefore, the Committee intends to continue with their investment policy (which remains under regular review) and keep the funds on deposit, whilst obtaining a competitive rate of interest.

### Risk Factors

The trustees have assessed the major risks to which the association is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### Coronavirus - Going Concern Impacts

Coronavirus is expected to have only a limited impact on the ability of the Association to operate as a going concern during 2021. Income is largely derived from Standing Order and Direct Debit payments, both of which are expected to remain largely unchanged (number and amount) during the year. Conversely, expenditure is planned and subject to both rigorous budget control and Trustee approval in all cases. While there is the potential for an increase in the number of Emergency Grants paid as a result of the crisis, these payments will be strictly monitored and approved in such numbers and amounts that do not put the Associations finances at risk

The Association intends to continue obtaining funding for both of its main funds and to make donations to Masonic and Non-Masonic charities.

### Structure, governance and management

The Association operates in accordance with its By-Laws and is a Registered Charity with the Charities Commission, number 216754. The registered address for the Association is Freemason's Hall, Crewe Street, Shrewsbury.

The By-laws of the Association is the "Shropshire Masonic Charitable Association By-Laws", dated 2nd September 2020.

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

J R Weaver	(Appointed 2 September 2020)
R B Pemberton	
A Cadman	
J K Lund	(Resigned 2 September 2020)
P A Taylor	(Resigned 2 September 2020)
J M Hodgson	(Resigned 2 September 2020)
J F Williamson	(Resigned 2 September 2020)
P Robinson	
I W Edgington	(Resigned 2 September 2020)
G Watson	(Resigned 2 September 2020)
N Garavini	(Appointed 2 September 2020)
D J Hill	
J C Hollick	
D Foulkes	
D P Price	
S D Aucott	
A Caswell	(Resigned 2 September 2020)
D J Kettle	
P Hasler	(Resigned 2 September 2020)

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# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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R Brooks

P Mills

S Wilson

(Appointed 2 September 2020)

The Patrons of the Association are the Provincial Grand Master and the Past Provincial Grand Master(s), and the Vice-Patrons are his Deputy and the Past Deputy Provincial Grand Master.

The general management of the Association is conducted by a committee consisting of the following ex-officio and elected members: -

- a) Ex-officio Members
  - The Patrons and Vice-Patrons.
  - The Provincial Grand Secretary, the President, Immediate Past President, Vice Presidents, Treasurer, Gift Aid Co-ordinator and Secretary of the Association.
- b) Elected Members
  - Five members elected at the Annual General Meeting being Charity Stewards of any Lodge entitled to benefits of membership under the By-Laws.

The Committee shall meet as and when the President may consider necessary or upon a requisition addressed to the Secretary and signed by either the Provincial Grand Master or his Deputy or by at least five members of the Committee.

At any meeting of the Committee, five members thereof shall form a quorum.

### Application for funds:

Application for assistance of the Association may be made through the Master and Officers of any Lodge in the Province entitled to the benefits of membership. All applications are made to the Secretary of the Association, who shall then refer them to the Committee.

### Induction and training of trustees

The Association has established induction procedures. New trustees are given information on charity and trustee responsibilities together with information about the Association, its history and its plans for the future and its constitution. Included is an explanation about how the Association's affairs are conducted on a day-to-day basis. New trustees meet key committee members as part of the induction procedure.

The Trustees are familiar with charity governance through other work they do, and they ensure the Trustee body is updated as appropriate.

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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 association and of the incoming resources and application of resources of the association 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 association 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 association 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.

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**J R Weaver**

Treasurer

Dated: .....



# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

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#### Opinion

We have audited the financial statements of Shropshire Masonic Charitable Association (the 'association') for the year ended 31 December 2020 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 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

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 association 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 association'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 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.

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

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#### **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 association'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.

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

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#### **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.

#### **Irregularities, including fraud, are instances of non-compliance with laws and regulations**

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that 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.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

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.

We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

#### **Other matter**

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.

# **SHROPSHIRE MASONIC CHARITABLE ASSOCIATION**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF SHROPSHIRE MASONIC CHARITABLE ASSOCIATION**

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#### **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.

**Dyke Yaxley Limited**

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**Chartered Accountants  
Statutory Auditor**

1 Brassey Road  
Old Potts Way  
Shrewsbury  
Shropshire  
SY3 7FA

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

### Current financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Total 2019 £
	Notes					
<b><u>Income from:</u></b>						
Donations and legacies	3	32,308	24,446	-	56,754	242,016
Charitable activities	4	1,141	611	-	1,752	43,037
Investments	5	1,623	9	-	1,632	1,919
<b>Total income</b>		<b>35,072</b>	<b>25,066</b>	<b>-</b>	<b>60,138</b>	<b>286,972</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	6	60,541	29,768	-	90,309	409,808
Net gains/(losses) on investments	10	-	-	2,286	2,286	11,815
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(25,469)</b>	<b>(4,702)</b>	<b>2,286</b>	<b>(27,885)</b>	<b>(111,021)</b>
Gross transfers between funds	11	(10,000)	10,000	-	-	-
<b>Net movement in funds</b>		<b>(35,469)</b>	<b>5,298</b>	<b>2,286</b>	<b>(27,885)</b>	<b>(111,021)</b>
Fund balances at 1 January 2020		190,201	53,588	114,024	357,813	468,834
<b>Fund balances at 31 December 2020</b>		<b>154,732</b>	<b>58,886</b>	<b>116,310</b>	<b>329,928</b>	<b>357,813</b>

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

All income and expenditure derive from continuing activities.

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
	Notes				
<b><u>Income from:</u></b>					
Donations and legacies	3	11,198	230,818	-	242,016
Charitable activities	4	1,359	41,678	-	43,037
Investments	5	1,919	-	-	1,919
<b>Total income</b>		14,476	272,496	-	286,972
<b><u>Expenditure on:</u></b>					
Charitable activities	6	34,655	375,153	-	409,808
Net gains/(losses) on investments	10	-	-	11,815	11,815
<b>Net (outgoing)/incoming resources before transfers</b>		(20,179)	(102,657)	11,815	(111,021)
Gross transfers between funds	11	538	-	(538)	-
<b>Net movement in funds</b>		(19,641)	(102,657)	11,277	(111,021)
Fund balances at 1 January 2019		209,842	156,245	102,747	468,834
<b>Fund balances at 31 December 2019</b>		190,201	53,588	114,024	357,813

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

All income and expenditure derive from continuing activities.

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Investments	12		71,479		69,193
<b>Current assets</b>					
Cash at bank and in hand		261,725		291,807	
<b>Creditors: amounts falling due within one year</b>	13	(3,276)		(3,187)	
Net current assets			258,449		288,620
<b>Total assets less current liabilities</b>			329,928		357,813
<b>Capital funds</b>					
Endowment funds	14		116,310		114,024
<b>Income funds</b>					
Restricted funds - general	15		58,886		53,588
Unrestricted funds			154,732		190,201
			329,928		357,813

The financial statements were approved by the Trustees on .....

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J R Weaver  
Trustee

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

#### **Charity information**

The Shropshire Masonic Charitable Association, also known as the SMCA, is registered with the Charity Commission, registration number 216754. The registered office of the Association is Freemasons Hall, Crewe St., Shrewsbury, SY1 2HQ.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the association's by-laws, 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) (effective 1 January 2019)". The association is a Public Benefit Entity as defined by FRS 102.

The association has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention. 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 association 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.

#### **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 association.

#### **1.4 Income**

Income is recognised when the association 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 association 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 association 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.



# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.5 Expenditure

Resources expended are analysed between the different categories of expenditure as follows:

Donations paid in furtherance of the charity's objectives include donations to other Masonic charities, non-Masonic charities and individual beneficiaries.

Support and governance costs are those incurred in connection with organisational administration and compliance with constitutional and statutory requirements, set out in the notes to the accounts.

##### 1.6 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.

##### 1.7 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the association's contractual obligations expire or are discharged or cancelled.

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Critical accounting estimates and judgements

In the application of the association'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	Restricted funds general	Total	Unrestricted funds	Restricted funds general	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	32,308	24,446	56,754	7,848	230,818	238,666
Legacies receivable	-	-	-	3,350	-	3,350
	<u>32,308</u>	<u>24,446</u>	<u>56,754</u>	<u>11,198</u>	<u>230,818</u>	<u>242,016</u>
<b>Donations and gifts</b>						
Central MCF	-	5,749	5,749	-	10,235	10,235
CERF	-	11,850	11,850	-	-	-
Fesitval 2019	-	-	-	-	216,901	216,901
Festival 2030	-	4,517	4,517	-	-	-
TLC Appeal	-	2,330	2,330	-	3,682	3,682
Shropshire MCF	32,308	-	32,308	7,848	-	7,848
	<u>32,308</u>	<u>24,446</u>	<u>56,754</u>	<u>7,848</u>	<u>230,818</u>	<u>238,666</u>
<b>Legacies receivable</b>						
Shropshire MCF	-	-	-	3,350	-	3,350
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,350</u>	<u>-</u>	<u>3,350</u>

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Charitable activities

	Central MCF	Festival 2019	TLC Appeal	Shropshire MCF	Total 2020	Total 2019
	2020	2020	2020	2020		
	£	£	£	£	£	£
Gift Aid adjustment	-	-	-	-	-	177
Ticket sales/ sponsorship	-	-	-	-	-	35,935
Merchandise	-	611	-	218	829	6,291
Misc Receipts	-	-	-	923	923	634
	<u>-</u>	<u>611</u>	<u>-</u>	<u>1,141</u>	<u>1,752</u>	<u>43,037</u>
Analysis by fund						
Unrestricted funds	-	-	-	1,141	1,141	1,359
Restricted funds - general	-	611	-	-	611	41,678
	<u>-</u>	<u>611</u>	<u>-</u>	<u>1,141</u>	<u>1,752</u>	<u>43,037</u>

### For the year ended 31 December 2019

	Central MCF	Festival 2019	TLC Appeal	Shropshire MCF	Total 2019
	£	£	£	£	£
Gift Aid adjustment	177	-	-	-	177
Ticket sales/sponsorship	-	35,935	-	-	35,935
Merchandise	-	5,566	-	725	6,291
Misc Receipts	-	-	-	634	634
	<u>177</u>	<u>41,501</u>	<u>-</u>	<u>1,359</u>	<u>43,037</u>
Analysis by fund					
Unrestricted funds	-	-	-	1,359	1,359
Restricted funds - general	177	41,501	-	-	41,678
	<u>177</u>	<u>41,501</u>	<u>-</u>	<u>1,359</u>	<u>43,037</u>

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 5 Investments

	Unrestricted funds	Restricted funds general	Total	Unrestricted funds
	2020 £	2020 £	2020 £	2019 £
Deposit interest	153	9	162	584
Dividend income	1,470	-	1,470	1,335
	<u>1,623</u>	<u>9</u>	<u>1,632</u>	<u>1,919</u>

### 6 Charitable activities

	CERF 2020 £	Festival 2019 2020 £	TLC Appeal 2020 £	Shropshire MCF 2020 £	Total 2020 £	Total 2019 £
Festival Management	-	-	-	-	-	45,627
Merchandise	-	6,893	-	-	6,893	2,842
Direct Costs	-	-	2,592	-	2,592	4,352
Donations to Relief Chest	-	-	-	-	-	323,409
Donations	20,283	-	-	55,850	76,133	28,293
	<u>20,283</u>	<u>6,893</u>	<u>2,592</u>	<u>55,850</u>	<u>85,618</u>	<u>404,523</u>
Share of support costs (see note 7)	-	-	-	942	942	1,469
Share of governance costs (see note 7)	-	-	-	3,749	3,749	3,816
	<u>20,283</u>	<u>6,893</u>	<u>2,592</u>	<u>60,541</u>	<u>90,309</u>	<u>409,808</u>
<b>Analysis by fund</b>						
Unrestricted funds	-	-	-	60,541	60,541	34,655
Restricted funds - general	20,283	6,893	2,592	-	29,768	375,153
	<u>20,283</u>	<u>6,893</u>	<u>2,592</u>	<u>60,541</u>	<u>90,309</u>	<u>409,808</u>

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Charitable activities

(Continued)

For the year ended 31 December 2019

	Central MCF	Festival TLC Appeal	Shropshire MCF	Total
	2019	2019		2019
	£	£	£	£
Festival Management	-	45,627	-	45,627
Merchandise	-	1,765	1,077	2,842
Direct Costs	-	-	4,352	4,352
Donations to Relief Chest	18,590	304,819	-	323,409
Donations	-	-	28,293	28,293
	<u>18,590</u>	<u>352,211</u>	<u>4,352</u>	<u>404,523</u>
Share of support costs (see note 7)	-	-	1,469	1,469
Share of governance costs (see note 7)	-	-	3,816	3,816
	<u>18,590</u>	<u>352,211</u>	<u>4,352</u>	<u>409,808</u>
<b>Analysis by fund</b>				
Unrestricted funds	-	-	34,655	34,655
Restricted funds - general	18,590	352,211	4,352	375,153
	<u>18,590</u>	<u>352,211</u>	<u>4,352</u>	<u>409,808</u>

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 7 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Printing/stationery/year book	6	-	6	449	-	449
Rent	570	-	570	555	-	555
Bank charges	-	-	-	30	-	30
Miscellaneous	366	-	366	435	-	435
Audit fees	-	3,396	3,396	-	3,120	3,120
Meeting costs	-	-	-	-	527	527
Secretary expenses	-	353	353	-	169	169
	<u>942</u>	<u>3,749</u>	<u>4,691</u>	<u>1,469</u>	<u>3,816</u>	<u>5,285</u>
Analysed between Charitable activities	<u>942</u>	<u>3,749</u>	<u>4,691</u>	<u>1,469</u>	<u>3,816</u>	<u>5,285</u>

The trustees have decided to meet all governance and support costs from unrestricted funds and so no allocation or charge is made to restricted funds.

Governance costs includes payments to the auditors of £3,396 (2019- £3,120) for audit fees.

### 8 Trustees

A total of £420 was reimbursed to members of the trustees committee in the year (2019: £169). These payments were primarily for printing, postage and stationery costs incurred. No members of the committee or anyone connected to them have received, or are due to receive, any remuneration for the year directly or indirectly from the Associations' funds (2019: none).

### 9 Employees

There were no employees during the year.

### 10 Net gains/(losses) on investments

	Endowment funds 2020 £	Endowment funds 2019 £
Revaluation of investments	<u>2,286</u>	<u>11,815</u>

### 11 Transfers

A transfer of £10,000 was made in the year from the unrestricted fund "Shropshire MCF" to the restricted fund "CERF" to start the fund.

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2020	69,193
Valuation changes	2,286
	<hr/>
At 31 December 2020	71,479
	<hr/>
<b>Carrying amount</b>	
At 31 December 2020	71,479
	<hr/> <hr/>
At 31 December 2019	69,193
	<hr/> <hr/>

The legacy for the Pointon Forest Glen Fund was received in the form of cash and invested by Messrs Tilney & Co., and has been provided for in these accounts at market value. The original cost of the investment was £10,059.

### 13 Creditors: amounts falling due within one year

	2020 £	2019 £
	Notes	
Deferred income	-	67
Accruals and deferred income	3,276	3,120
	<hr/>	<hr/>
	3,276	3,187
	<hr/> <hr/>	<hr/> <hr/>

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### 14 Endowment funds

Endowment funds represent assets which must be held permanently by the association. Income arising on the endowment funds can be used in accordance with the objects of the association 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 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£	£	£
<b>Permanent endowments</b>											
EAS Barnes	32,873	-	-	-	-	32,873	-	-	-	-	32,873
Pointon Forest Glen Trust	69,336	-	-	-	11,815	81,151	-	-	-	2,286	83,437
<b>Expendable endowments</b>											
Boyce Trust	538	-	-	(538)	-	-	-	-	-	-	-
	<u>102,747</u>	<u>-</u>	<u>-</u>	<u>(538)</u>	<u>11,815</u>	<u>114,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,286</u>	<u>116,310</u>



# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£
Central MCF	50,663	10,412	(18,590)	1,210	43,695	5,749	-	(5,381)	44,063
CERF	-	-	-	-	-	11,850	(20,283)	10,000	1,567
Festival 2019	95,920	258,402	(352,211)	(1,210)	901	611	(6,893)	5,381	-
Festival 2030	-	-	-	-	-	4,526	-	-	4,526
TLC Appeal	9,662	3,682	(4,352)	-	8,992	2,330	(2,592)	-	8,730
	<u>156,245</u>	<u>272,496</u>	<u>(375,153)</u>	<u>-</u>	<u>53,588</u>	<u>25,066</u>	<u>(29,768)</u>	<u>10,000</u>	<u>58,886</u>

The restricted fund is made up of five funds, the Central MCF, the Coronavirus Emergency Relief Fund (CERF), the Teddies for Loving Care Appeal (TLC Appeal), the 2019 Festival Fund and the 2030 Festival Fund.

- The Central MCF is to support the four main Masonic Charitable Institutions managed under the umbrella of the Masonic Charitable Foundation.
- The CERF is to help mitigate the impact of the pandemic in Shropshire by supporting food banks and the production of items of PPE, as well as providing funding for young carers and domestic abuse charities – all of whom reported significant increases in referral rates as a result of Covid-19.
- The TLC Appeal is to fund teddy bears given to every child in hospital or attending at local accident and emergency centres.
- The 2019 Festival Fund is to provide funds for the finalisation of the 2019 Festival appeal, the sale of 2019 Festival merchandise and other Festival receipts.
- The 2030 Festival Fund is to receive and manage in a cost-effective manner, the donations to the 2030 Festival in support of the Freemasons' Grand Charity (one of the four Masonic Charities).

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### 16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:								
Investments	-	-	71,479	71,479	-	-	69,193	69,193
Current assets/(liabilities)	154,732	58,886	44,831	258,449	190,201	53,588	44,831	288,620
	<u>154,732</u>	<u>58,886</u>	<u>116,310</u>	<u>329,928</u>	<u>190,201</u>	<u>53,588</u>	<u>114,024</u>	<u>357,813</u>

# SHROPSHIRE MASONIC CHARITABLE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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### **17 Related party transactions**

#### **Transactions with related parties**

A number of the Association's trustees are trustees of other charities which have received donations from the Association. There were no other related party transactions (2019: None).