

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

England & Wales · Charity number 252951

Details

Other names THE GRAND LODGE 250TH ANNIVERSARY FUND

Status Registered

Legal form Other

Registered 1967-07-14

Register [View on the Charity Commission register](#)

Contact

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22 Chancery Lane
London
WC2A 1LS

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Activities

Objects: INCOME TO BE APPLIED IN FURTHERING, IN CONJUNCTION WITH THE ROYAL COLLEGE OF SURGEONS, RESEARCH IN THE SCIENCE OF SURGERY.

Activities: The charity makes grants to the Royal College of Surgeons of England to support surgical research fellowships.

Classification

- **How:** Makes Grants To Organisations
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- Camden

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£202,515	£316,849	-	-
2023-12-31	£267,527	£293,399	-	-
2022-12-31	£265,189	£292,293	-	-
2021-12-31	£148,861	£291,147	-	-
2020-12-31	£164,255	£207,958	-	-

Trustees

Name	Role	Appointed
Howard Ian Sabin		2020-10-06
JOLYON ARTHUR LEONARD BERRY		2015-05-22
JULIAN ROBERT SOPER		2011-10-31
Jonathon Andrew Randall		2020-10-06
Justinian Ash		2018-10-30
PROFESSOR ANTONY NARULA		2015-05-22
Paul Copsey		2018-09-13

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

England & Wales - Charity number 252951

Accounts

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

I N D E X

Year ended 31 December 2024

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THE FREEMASONS' FUND FOR SURGICAL RESEARCH

GENERAL INFORMATION

Year ended 31 December 2024

Charity Registration number	252951
Patron	HRH The Duke of Kent KG
Trustees	Justinian Ash Julian Soper Jolyon Berry Antony Narula FRCS(Eng) Paul Copsey Howard Sabin FRCS(Eng), FRCS(Ed) Jonathan Randall
Registered office	22 Chancery Lane London WC2A 1LS
Auditors	Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS
Secretary	Michael Messent (Resigned 08/05/2024) Stephen Finch (Appointed 08/05/2024)
Principal address	Black Barn Hastings Road Winchelsea East Sussex TN36 4AD
Investment managers and advisers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
Bankers	Coutts & Co St Martin's Office 440 Strand London WC2R 0QS

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2024

This report should be read in conjunction with the information given on page 2.

Creation

The Fund was created in 1967 as a charitable foundation by contributions from Freemasons of the English Constitution to commemorate the 250th Anniversary of the original Grand Lodge Meeting.

Governing instrument

The governing instrument is a Declaration of Trust dated 8 May 1967.

Objects and public benefit

The Trustees have considered the guidance in respect of public benefit given by the Charity Commission in accordance with the requirements of the Charities Act 2011.

The object of the Fund as set out in paragraph 5 of the Declaration of Trust, as amended by resolution of the Trustees dated 20 May 2014, is to hold the Trust Fund and the income thereof upon trust firstly to pay therefrom all the proper costs and expenses incurred by the Trustees in administering the Charity and the property thereof and subject thereto to apply the same (whether by payments from capital or income) in furthering, in conjunction with the Royal College of Surgeons of England (a registered charity no. 212808), research in the science of surgery provided that in no accounting year shall the expenditure of the Trustees towards the Royal College exceed five per centum of the capital value of the Trust Fund calculated at the end of the accounting year immediately prior to incurring such expenditure. Trust capital is held in perpetuity, subject only to the deduction of all proper costs and expenses incurred by the Trustees should these not be covered by income.

All grants are made to the Royal College of Surgeons of England in accordance with the object of the Trust. The recipient charity has confirmed that, in their opinion, its activities satisfy the public benefit test. The Trustees are satisfied that this is for the public benefit and that there is no detriment or harm that might arise from carrying out this object. No person or body receives any private benefit other than as a beneficiary.

Organisational structure

The Secretary has overall control of the general conduct of the Fund's activities and is responsible for the implementation of the policies of the Trustees.

Trustees' policies

The Trustees' policies are:

- (a) to invest trust capital in order to provide a total return to further the trust objective.
- (b) to give grants to the Royal College of Surgeons of England.

Trustees

The names of the individuals who served as Trustees during the period are shown on page 2.

The power to appoint new Trustees is vested in the Grand Master of the United Grand Lodge of England.

There must be at least three and no more than seven Trustees.

The Trustees have unrestricted power of investment.

The Trustees meet at least twice each year to consider the Charity's activities and performance.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2024

Reserves

In line with the guidance issued by the Charity Commission, the Trustees have reviewed the need for reserves. The Trustees seek to apply all income in pursuance of the stated objects of the Fund as soon as is reasonably prudent. The present intention of the Trustees is to make annual grants to the Royal College of Surgeons of England sufficient to contribute to the support of four research fellowships. The Trustees and the College seek to fund a consistent number of research fellowships, year on year, and, to achieve this objective, the Trustees may have to resort to capital, within the permitted limit. The extent to which capital has been expended over the years is reflected in the figures of net current assets as set out in note 13 on page 15.

The Trustees monitor the level of reserves regularly.

Connected charities

There are no connected charities.

Investment policy

It is the policy of the Trustees to invest widely and to be diversified by asset class, by fund manager and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset class that is deemed suitable for the Fund.

From September 2023 and currently the benchmark ranges for asset allocation are Global Equities 55-80%, fixed interest 5-25%, alternative investments 5-25%, and cash 0-10%. Investment in private equity assets is limited to 10% of the portfolio value. The investment policy was also updated in the year in light of market developments and it is to maintain the real value of the Fund after grants and expenses. The aim of the Trustees is to obtain an annual total return from investments sufficient to allow the disbursement of a grant to the College of £280,000 or thereabouts after covering expenses.

The Trustees seek to produce the best possible financial return in order to achieve the greatest amount of money available for the furtherance of medical research, whilst investing in a manner consistent with the Fund's aims and avoiding investing in businesses which may reasonably be regarded as undertaking activities which are injurious to individuals or society in general. The Trustees have resolved to invest in ESG funds with a weighting of 5-10%, providing they meet all other investment criteria. It is recognised that it is unrealistic to have zero tolerance to holdings in securities due to the way some investments are held within funds and because businesses are reclassified from time to time. As shown in the following table, some tolerance of restricted businesses shall be permitted, however there shall be no direct investment in certain businesses, as specified:

	Direct investment	Total exposure overall
Tobacco	No	1%
Gambling	No	1%
Pornography	No	1%
Predatory Lending	No	1%
Fossil Fuels	Yes	5%

The Trustees have also resolved to invest in private assets to a limited extent in order to diversify asset classes.

The Trustees have appointed Cazenove Capital Management Limited ("Cazenove") as investment advisers. Cazenove have discretion to change the investments without the specific instructions of the Trustees. Some funds are placed on deposit with Cazenove, otherwise investments are to be held in pooled funds. Cazenove report four times a year to the Trustees on the investment performance of the Fund and the investment policy is reviewed by the Trustees at least twice a year.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2024

Financial review

During the year investment income totalled £191,765 (2023 - £155,805). 2024 included a donation of £10,750 (2023 - £6,600), received from individual donors. All donations were treated as additions to the endowment (capital) fund with the aim of increasing the value of annual grants to the Royal College of Surgeons of England.

Grants amounting to £280,000 (2023 - £260,000) were made by the Trustees to the Royal College of Surgeons of England.

At the year-end the investments, excluding cash, were valued at £7,510,344 (2023 - £7,072,039). All investments are held in accordance with the Declaration of Trust.

The unrestricted fund shows a total deficit of £291,004 (2023 - £267,527). The Trustees have a realistic expectation that future income will be received to cover the deficit. A transfer of £291,004 from the restricted fund will be made to clear this deficit, as stated in note 13 of the accounts.

Cazenove levied investment management charges in the year amounting to £26,167 (2023 - £24,615).

In accordance with the terms of an Order granted by the Charity Commissioners dated 20 May 2011, the Trustees have identified the unapplied total return at 31 December 2012 based on the difference between the net funds at that date less the initial capital of £582,769. Additions to the unapplied total return have been calculated for subsequent accounting periods based on the excess total return less grants and expenses, as set out in note 13 to the financial statements. An application of the unapplied total return has been made in the year to 31 December 2024, in respect of the shortfall of income of £267,527 arising for the year ended 31 December 2023. The Trustees concluded that it was not necessary to obtain advice regarding the use of power conferred on the Trustees by the Order.

Financial statements

The financial statements are set out on pages 10 to 16. They have been drawn up in compliance with the relevant provisions of the Charities Act 2011 and with the Declaration of Trust.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 FREEMASONS' FUND FOR SURGICAL RESEARCH

T R U S T E E S ' A N N U A L R E P O R T

Year ended 31 December 2024

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the regulations made under the Charities Act 2011. 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.

On behalf of the Trustees

A handwritten signature in black ink, appearing to read 'JA AL', written in a cursive style.

JUSTINIAN ASH

4 September 2025

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

AUDITORS' REPORT

Year ended 31 December 2024

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE FREEMASONS' FUND FOR SURGICAL RESEARCH

Opinion

We have audited the financial statements of The Freemasons' Fund For Surgical Research (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, 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 December 2024 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 trustee's 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. 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.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

AUDITORS' REPORT

Year ended 31 December 2024

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 trustees' responsibilities statement set out on page 5, 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.

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 by considering, amongst other things, 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 assessed level of risk, but recognised 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 focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to UK Charity Law and UK financial reporting standards application for UK charitable trusts.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of the investment advisors.

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 management that represented a risk of material misstatement due to fraud.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

A U D I T O R S ' R E P O R T

Year ended 31 December 2024

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.

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 regulations made under section 154 of the Charities Act 2011. 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.

Dixon Wilson Audit Services LLP

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Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

5 September 2025

Dixon Wilson Audit Services LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2024

	Note	Unrestricted Funds £	Endowment Funds £	2024 Total £	Unrestricted Funds £	Endowment Funds £	2023 Total £
Income and expenditure							
Income and endowments from:							
Donations and legacies	4	-	10,750	10,750	-	6,600	6,600
Investments		-	191,765	191,765	-	155,805	155,805
Total		<u>-</u>	<u>202,515</u>	<u>202,515</u>	<u>-</u>	<u>162,405</u>	<u>162,405</u>
Expenditure on:							
Raising funds	5	-	25,845	25,845	-	25,872	25,872
Charitable activities	6	291,004	-	291,004	267,527	-	267,527
Total resources expended		<u>291,004</u>	<u>25,845</u>	<u>316,849</u>	<u>267,527</u>	<u>25,872</u>	<u>293,399</u>
Net (outgoing)/incoming resources before other recognised gains and losses		(291,004)	176,670	(114,334)	(267,527)	136,533	(130,994)
Other recognised (losses)/gains:							
Net investment gain/(losses) in year	9	-	534,890	534,890	-	320,143	320,143
Net movement in funds for the year		(291,004)	711,560	420,556	(267,527)	456,676	189,149
Transfer between funds	13	267,527	(267,527)	-	267,904	(267,904)	-
Total (deficit)/funds brought forward		(267,527)	7,316,305	7,048,778	(267,904)	7,127,533	6,859,629
Total (deficit)/funds carried forward (page 11)		<u>(291,004)</u>	<u>7,760,338</u>	<u>7,469,334</u>	<u>(267,527)</u>	<u>7,316,305</u>	<u>7,048,778</u>

All amounts are in respect of continuing operations.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

BALANCE SHEET

At 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Investments at market value	9	<u>7,587,456</u>	<u>7,169,974</u>
Current assets			
Debtors	10	13,285	3,168
Cash		32,453	153,640
		<u>45,738</u>	<u>156,808</u>
Creditors: amounts falling due within one year	11	<u>(163,860)</u>	<u>(278,004)</u>
Net current liabilities		<u>(118,122)</u>	<u>(121,196)</u>
Total net assets	13	<u>7,469,334</u>	<u>7,048,778</u>
Represented by:			
Capital funds – Endowment	13	7,760,338	7,316,305
Income funds – Unrestricted		(291,004)	(267,527)
		<u>7,469,334</u>	<u>7,048,778</u>

The financial statements on pages 10 to 16 were approved by the Trustees on 4 September 2025.



JUSTINIAN ASH
Trustee

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

1. General information

The Charity is an unincorporated trust. The principal address of the Charity is 7 Hansard Place, Romsey, Hampshire SO51 0EL.

2. Accounting policies

Basis of accounting

The financial statements have been prepared 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) (effective October 2019) – (Charities SORP (FRS 102)).

The Freemasons' Fund for Surgical Research meets the definition of a public benefit entity under FRS 102.

Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

These financial statements have been prepared under the historical cost convention modified to include the revaluation of investments.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Income recognition

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

Donations are recognised once the Charity has entitlement to the donations, it is certain that the donations will be received, and the monetary value of the donations can be measured with sufficient reliability.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. For grants payable, this is the point at which the recipient is notified. All expenditure is accounted for on an accruals basis.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Cash balances held as part of a fixed asset investment portfolio are presented as part of fixed assets.

(continued)

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

2. Accounting policies (continued)

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3. Staff numbers

The average number of persons employed by the charity during the year was 0 (2023 - 0).

4. Voluntary income	2024 £	2023 £
Other donations	10,750	6,600

The trustees have a reasonable expectation of receiving £11,000 of voluntary income in the year ended 31 December 2025.

5. Expenditure on raising funds	2024 £	2023 £
Investment management charges	26,167	24,615
(Profit)/loss on foreign exchange movements	(322)	1,257
	<u>25,845</u>	<u>25,872</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

6. Expenditure on charitable activities	Note	2024 £	2023 £
Grants to Royal College of Surgeons of England		280,000	260,000
Governance costs:			
Accountancy and audit	7	10,455	7,200
Bank charges		489	244
LEI provider fee		60	83
		<u>291,004</u>	<u>267,527</u>
<hr/>			
7. Total resources expended has been stated after charging		2024 £	2023 £
Accountancy		4,623	3,000
Audit		5,832	4,200
		<u>10,455</u>	<u>7,200</u>
<hr/>			
8. Trustees			
Trustees are not remunerated, and no expenses have been reimbursed.			
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9. Investments		2024 £	2023 £
Quoted investments:			
Carrying value (fair value) at beginning of year		7,072,039	6,776,613
Less: proceeds of disposals		(2,269,166)	(1,975,933)
Add: cost of additions		2,172,581	1,951,216
Net gain/(loss) for the year		534,890	320,143
Carrying value (fair value) at end of year		<u>7,510,344</u>	<u>7,072,039</u>
Cash		77,112	97,935
Total fixed asset investments		<u>7,587,456</u>	<u>7,169,974</u>
Quoted investments at cost		<u>6,195,203</u>	<u>5,989,051</u>
<hr/>			
10. Debtors		2024 £	2023 £
Accrued income		<u>13,285</u>	<u>3,168</u>
<hr/>			

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

11. Creditors: amounts falling due within one year

	2024 £	2023 £
Grants payable	150,000	260,000
Accruals	13,860	10,804
Other creditors	-	7,200
	<u>163,860</u>	<u>278,004</u>

12. Financial assets and liabilities

The following are financial assets that qualify as basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value through income and expenditure:

	2024 £	2023 £
Financial assets		
Investments excluding cash	7,510,344	7,072,039

13. Analysis of net assets between funds

	Fixed assets £	Net current assets/ (liabilities) £	Total £
Unapplied total return	4,454,682	172,882	4,627,564
Capital funds -Endowment	3,132,774	-	3,132,774
Total Endowment funds	<u>7,587,456</u>	<u>172,882</u>	<u>7,760,338</u>
Unrestricted funds	-	(291,004)	(291,004)
Total at 31 December 2024	<u>7,587,456</u>	<u>(118,122)</u>	<u>7,469,334</u>

At 31 December 2012, the Trustees identified that the Trust had funds of £2,742,349 representing unapplied total return, calculated as the total net assets of £3,325,118 at that date, less the initial capital of £582,769. Since that date, the following movements have taken place:

	2024 £	2023 £
At 1 January	4,194,281	4,012,109
Investment return: dividends and interest	191,765	155,805
Investment return: realised and unrealised gains/(losses)	534,890	320,143
Investment management fees	(25,846)	(25,872)
Allocated to trust for application (page 10)	(267,527)	(267,904)
At 31 December	<u>4,627,564</u>	<u>4,194,281</u>

After the year-end the Trustees resolved to make a transfer of £291,004 from Endowment funds to Unrestricted funds as permitted under the constitution of the Fund.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

14. Capital funds – Endowment

Endowment funds which at 31 December 2024 amounted to £7,760,338 arise from contributions received as follows from the Supreme Grand Chapter:

Prior to 31 December 1969	£582,769
During the year ended 31 December 2014	£2,424,900
During the year ended 31 December 2016	£35,000
During the year ended 31 December 2017	£22,000
During the year ended 31 December 2018	£27,733

Further gifts to the endowment have been received as follows from other individuals:

During the year ended 31 December 2019	£150
During the year ended 31 December 2020	£312
During the year ended 31 December 2021	£4,935
During the year ended 31 December 2022	£14,225
During the year ended 31 December 2023	£6,600
During the year ended 31 December 2024	£10,750

In light of the capital contribution from the Supreme Grand Chapter in May 2014 and the value of the Fund immediately prior to its receipt, it was resolved by the Trustees that future Freemasons' Fellowships, tenable at The Royal College of Surgeons, shall henceforth be attributed to the United Grand Lodge of England and to the Supreme Grand Chapter in the proportion of 3:2 with effect from 1 January 2015. Of the five Fellowships funded in the year ended 31 December 2024, three were attributed to the United Grand Lodge of England. The position since 1 January 2015 is as follows:

Year	Proportion	United Grand Lodge	Supreme Grand Chapter	Total
2015	2:2	2	2	4
2016	3:1	3	1	4
2017	3:2	3	2	5
2018	2:2	2	2	4
2019	2:2	2	2	4
2020	2:2	2	2	4
2021	2:2	2	2	4
2022	3:2	3	2	5
2023	3:2	3	2	5
2024	3:2	3	2	5

15. Related party transactions

There have been no related party transactions in the year.

I N V E S T M E N T S U M M A R Y

Year ended 31 December 2024

	At 1 January 2024			Total additions			Disposals			At 31 December 2024			Unrealised gain/(loss) £	
	No.	Cost £	Market value £	No.	Cost £	No.	Cost £	Proceeds £	gain/(loss) on historic cost £	Gain/(loss) on market value as at 31 December 2024 £	No.	Cost £		Market value £
24 Absolute Return Credit Fund	-	-	-	1,400	137,718	-	-	-	-	952	1,400	137,718	138,670	952
Atlas Global Infrastructure Fund	850	97,176	118,498	-	-	-	-	-	-	(6,933)	850	97,176	111,565	14,389
Amundi Prime Wld ETF	-	-	-	9,504	79,792	-	-	-	-	7,311	9,504	79,792	87,103	7,311
BlackRock Euro Dynamic	-	-	-	47,504	139,322	-	-	-	-	(6,081)	47,504	139,322	133,241	(6,081)
BrevanHoward Abs	817	81,758	89,730	-	-	817	81,758	94,019	12,261	4,289	-	-	-	-
Cazenove Charity Equity Value	320,000	214,305	220,096	-	-	120,000	80,364	83,109	2,745	11,513	200,000	133,941	148,500	14,559
CC Private Assets	-	-	-	11,450	9,337	-	-	-	-	1,082	11,450	9,337	10,419	1,082
Charities Property Fund	200,000	255,388	237,200	-	-	19,298	24,642	22,500	(2,142)	788	180,702	230,746	215,488	(15,258)
Fedt Hermes Unc Credit	162,037	156,525	141,345	-	-	162,037	156,525	138,039	(18,486)	(3,306)	-	-	-	-
Fidelity Global Dividend	407,519	316,752	436,045	-	-	257,519	200,162	279,528	79,366	20,933	150,000	116,590	177,450	60,860
Findlay Park American Fund	4,300	193,602	672,950	-	-	-	-	-	-	87,634	4,300	193,602	760,584	566,982
Fisher US SMID CoEqty	-	-	-	1,320	170,452	-	-	-	-	(11,049)	1,320	170,452	159,403	(11,049)
FRN UK Gilt @ 1.25%	40,000	81,496	82,121	-	-	40,000	81,496	82,414	918	293	-	-	-	-
FRN UK Gilt @ 4.25% 7.9.39	160,000	163,162	165,072	50,000	48,181	15,000	15,296	15,025	(271)	(15,669)	195,000	196,047	182,559	(13,488)
FRN UK Treasury 0.125% UK Treasury	-	-	-	40,000	60,038	-	-	-	-	165	40,000	60,038	60,203	165
Hamilton Lane Impact Fund	37,491	29,676	29,167	33,335	26,533	-	-	-	-	2,982	70,826	56,209	58,682	2,473
Hollyport Secondary Opportunities	100,000	32,674	41,875	-	23,323	-	-	-	-	21,959	100,000	55,997	87,157	31,160
HSBC Global Funds ICAV	17,000	156,303	159,317	-	-	-	-	-	-	(1,098)	17,000	156,303	158,219	1,916
iShares Physical gold	3,400	94,046	107,304	-	-	3,400	94,046	127,679	33,633	20,375	-	-	-	-
JPMorgan GBP	3,152	3,152	3,152	-	-	3,152	3,152	3,152	-	-	-	-	-	-
M+G Global Dividend	103,501	76,293	135,907	-	-	-	-	-	-	23,505	103,501	76,293	159,412	83,119
M+G Japan Fund	150,000	189,965	198,330	100,000	142,161	-	-	-	-	22,184	250,000	332,126	362,675	30,549
ManGLG GBP Corporate bond fund	274,027	240,481	260,600	-	-	14,027	12,310	13,650	1,340	18,770	260,000	228,171	265,720	37,549
Morgan Stanley GI ABS	5,626	140,837	131,377	-	344	-	-	-	-	(63)	5,626	141,181	131,658	(9,523)
Neuberger Berman Investment Funds	24,179	262,857	240,823	-	-	24,179	262,857	242,999	(19,858)	2,176	-	-	-	-
Ninety One Global Environment	114,674	190,758	179,453	-	-	114,674	190,758	186,001	(4,757)	6,548	-	-	-	-
Robeco BP Global Premium Equity	2,369	194,478	272,373	-	-	169	13,864	21,043	7,179	21,712	2,200	180,614	273,042	92,428
Schroder Asia Alpha Plus Fund	230,000	302,531	250,470	-	-	-	-	-	-	24,840	230,000	302,531	275,310	(27,221)
Schroder C Semi-L Global	-	-	-	95,000	75,007	95,000	75,007	74,675	(332)	(332)	-	-	-	-
Schroder Capital Global Private	1,669	223,380	246,083	490	74,266	-	-	-	-	30,735	2,159	297,646	351,084	53,438
Schroder GI Sustainable Growth 5 GBP	1,000,000	522,370	624,000	-	-	1,000,000	522,370	681,200	158,830	57,200	-	-	-	-
Schroder SSF Alt Assets	2,650	275,586	249,789	-	-	150	15,599	13,083	(2,516)	(20,356)	2,500	259,987	216,350	(43,637)
Schroder WM Global Sustainable	-	-	-	6,525	680,329	183	19,089	20,000	911	20,857	6,342	661,240	681,186	19,946
SPDR S+P 500 ETF	-	-	-	880	356,168	-	-	-	-	59,887	880	356,168	416,055	59,887
The Equity Income Trust for Charities - Class S	680,745	218,589	349,426	-	-	230,745	74,093	118,810	44,717	10,404	450,000	144,496	241,020	96,524
Vanguard Emerging Markets Index Fund	898	110,458	107,588	-	(150)	-	-	-	-	7,561	898	110,308	114,999	4,691
Vanguard FTSE All-world	1,120	93,564	104,895	-	18	350	29,244	37,240	7,996	17,288	770	64,338	84,961	20,623
Vanguard S+P 500	3,300	219,808	234,890	-	-	-	-	-	-	60,906	3,300	219,808	295,796	75,988
Wellington Global Health Care	20,000	137,837	199,988	-	-	-	-	-	-	(1,402)	20,000	137,837	198,586	60,749
William Blair US Small Mid Cap	977	88,524	105,730	-	-	-	-	-	-	13,907	977	88,524	119,637	31,113
WisdomTree Energy Transaction	4,000	68,522	56,920	-	-	-	-	-	-	2,720	4,000	68,522	59,640	(8,882)
WisdomTree Gold ETC	-	-	-	8,700	115,036	-	-	-	-	2,642	8,700	115,036	117,678	2,642
SUTL Cazenove Charity Responsible	909,728	556,198	619,525	-	34,706	21,527	13,397	15,000	1,603	17,061	888,201	577,507	656,292	78,785
Total	4,986,029	5,989,051	7,072,039	406,107	2,172,581	2,122,227	1,966,029	2,269,166	303,137	534,890	3,269,910	6,195,603	7,510,344	1,314,741
Capital cash		97,935	97,935									77,112	77,112	
		6,086,986	7,169,974		2,172,581		1,966,029	2,269,166	303,137	534,890		6,272,715	7,587,456	1,314,741

HISTORY OF GRANTS PAID TO THE ROYAL COLLEGE OF SURGEONS OF ENGLAND

Grants have been made to The Royal College of Surgeons of England as follows:

Year	£
1968	12,000
1969	25,500
1970	35,000
1971	30,000
1972	30,300
1973	30,000
1974	30,000
1975	30,000
1976	30,000
1977	59,100
1978	45,060
1979	40,000
1980	45,000
1981	60,000
1982	50,000
1983	55,000
1984	115,000
1985	86,125
1986	72,875
1987	75,000
1988	97,500
1989	95,000
1990	105,000
1991	105,000
1992	110,648
1993	115,000
1994	120,000
1995	136,000
1996	140,000
1997	145,000
1998	147,500
1999	155,000
2000	145,000
2001	140,000
2002	120,000
2003	120,000
2004	126,000
2005	155,700
2006	135,000
2007	145,500
2008	145,500
2009	135,000
2010	135,000
2011	130,000
2012	135,000
2013	135,000
2014	135,000
2015	220,000
2016	220,000
2017	250,000
2018	220,000
2019	220,000
2020	180,000
2021	260,000
2022	260,000
2023	260,000
2024	280,000
	<u>6,835,308</u>

This page does not form part of the statutory financial statements

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

England & Wales - Charity number 252951

Accounts

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

I N D E X

Year ended 31 December 2023

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THE FREEMASONS' FUND FOR SURGICAL RESEARCH

GENERAL INFORMATION

Year ended 31 December 2023

Charity Registration number	252951
Patron	HRH The Duke of Kent KG
Trustees	Justinian Ash Julian Soper Jolyon Berry Antony Narula FRCS(Eng) Paul Copsey Howard Sabin FRCS(Eng), FRCS(Ed) Jonathan Randall
Registered office	22 Chancery Lane London WC2A 1LS
Auditors	Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS
Secretary	Michael Messent
Principal address	7 Hansard Place Romsey Hampshire SO51 0EL
Investment managers and advisers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
Bankers	Coutts & Co St Martin's Office 440 Strand London WC2R 0QS

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2023

This report should be read in conjunction with the information given on page 2.

Creation

The Fund was created in 1967 as a charitable foundation by contributions from Freemasons of the English Constitution to commemorate the 250th Anniversary of the original Grand Lodge Meeting.

Governing instrument

The governing instrument is a Declaration of Trust dated 8 May 1967.

Objects and public benefit

The Trustees have considered the guidance in respect of public benefit given by the Charity Commission in accordance with the requirements of the Charities Act 2011.

The object of the Fund as set out in paragraph 5 of the Declaration of Trust, as amended by resolution of the Trustees dated 20 May 2014, is to hold the Trust Fund and the income thereof upon trust firstly to pay therefrom all the proper costs and expenses incurred by the Trustees in administering the Charity and the property thereof and subject thereto to apply the same (whether by payments from capital or income) in furthering, in conjunction with the Royal College of Surgeons of England (a registered charity no. 212808), research in the science of surgery provided that in no accounting year shall the expenditure of the Trustees towards the Royal College exceed five per centum of the capital value of the Trust Fund calculated at the end of the accounting year immediately prior to incurring such expenditure. Trust capital is held in perpetuity, subject only to the deduction of all proper costs and expenses incurred by the Trustees should these not be covered by income.

All grants are made to the Royal College of Surgeons of England in accordance with the object of the Trust. The recipient charity has confirmed that, in their opinion, its activities satisfy the public benefit test. The Trustees are satisfied that this is for the public benefit and that there is no detriment or harm that might arise from carrying out this object. No person or body receives any private benefit other than as a beneficiary.

Organisational structure

The Secretary has overall control of the general conduct of the Fund's activities and is responsible for the implementation of the policies of the Trustees.

Trustees' policies

The Trustees' policies are:

- (a) to invest trust capital in order to provide a total return to further the trust objective.
- (b) to give grants to the Royal College of Surgeons of England.

Trustees

The names of the individuals who served as Trustees during the period are shown on page 2.

The power to appoint new Trustees is vested in the Grand Master of the United Grand Lodge of England.

There must be at least three and no more than seven Trustees.

The Trustees have unrestricted power of investment.

The Trustees meet at least twice each year to consider the Charity's activities and performance.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2023

Reserves

In line with the guidance issued by the Charity Commission, the Trustees have reviewed the need for reserves. The Trustees seek to apply all income in pursuance of the stated objects of the Fund as soon as is reasonably prudent. The present intention of the Trustees is to make annual grants to the Royal College of Surgeons of England sufficient to contribute to the support of four research fellowships. The Trustees and the College seek to fund a consistent number of research fellowships, year on year, and, to achieve this objective, the Trustees may have to resort to capital, within the permitted limit. The extent to which capital has been expended over the years is reflected in the figures of net current assets as set out in note 13 on page 15.

The Trustees monitor the level of reserves regularly.

Connected charities

There are no connected charities.

Investment policy

It is the policy of the Trustees to invest widely and to be diversified by asset class, by fund manager and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset class that is deemed suitable for the Fund.

From September 2023 and currently the benchmark ranges for asset allocation are Global Equities 55-80%, fixed interest 5-25%, alternative investments 5-25%, and cash 0-10%. Investment in private equity assets is limited to 10% of the portfolio value. The investment policy was also updated in the year in light of market developments and it is to maintain the real value of the Fund after grants and expenses. The aim of the Trustees is to obtain an annual total return from investments sufficient to allow the disbursement of a grant to the College of £260,000 or thereabouts after covering expenses.

The Trustees seek to produce the best possible financial return in order to achieve the greatest amount of money available for the furtherance of medical research, whilst investing in a manner consistent with the Fund's aims and avoiding investing in businesses which may reasonably be regarded as undertaking activities which are injurious to individuals or society in general. The Trustees have resolved to invest in ESG funds with a weighting of 5-10%, providing they meet all other investment criteria. It is recognised that it is unrealistic to have zero tolerance to holdings in securities due to the way some investments are held within funds and because businesses are reclassified from time to time. As shown in the following table, some tolerance of restricted businesses shall be permitted, however there shall be no direct investment in certain businesses, as specified:

	Direct investment	Total exposure overall
Tobacco	No	1%
Gambling	No	1%
Pornography	No	1%
Predatory Lending	No	1%
Fossil Fuels	Yes	5%

The Trustees have also resolved to invest in private assets to a limited extent in order to diversify asset classes.

The Trustees have appointed Cazenove Capital Management Limited ("Cazenove") as investment advisers. Cazenove have discretion to change the investments without the specific instructions of the Trustees. Some funds are placed on deposit with Cazenove, otherwise investments are to be held in pooled funds. Cazenove report four times a year to the Trustees on the investment performance of the Fund and the investment policy is reviewed by the Trustees at least twice a year.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2023

Financial review

During the year investment income totalled £155,805 (2022 - £151,318). 2023 included a donation of £6,600 (2022 - £14,225), received from individual donors. All donations were treated as additions to the endowment (capital) fund with the aim of increasing the value of annual grants to the Royal College of Surgeons of England.

Grants amounting to £260,000 (2022 - £260,000) were made by the Trustees to the Royal College of Surgeons of England.

At the year-end the investments, excluding cash, were valued at £7,072,039 (2022 - £6,776,613). All investments are held in accordance with the Declaration of Trust.

The unrestricted fund shows a total deficit of £267,527 (2022 - £267,904). The Trustees have a realistic expectation that future income will be received to cover the deficit. A transfer of £267,527 from the restricted fund will be made to clear this deficit, as stated in note 13 of the accounts.

Cazenove levied investment management charges in the year amounting to £24,615 (2022 - £23,943).

In accordance with the terms of an Order granted by the Charity Commissioners dated 20 May 2011, the Trustees have identified the unapplied total return at 31 December 2012 based on the difference between the net funds at that date less the initial capital of £582,769. Additions to the unapplied total return have been calculated for subsequent accounting periods based on the excess total return less grants and expenses, as set out in note 13 to the financial statements. An application of the unapplied total return has been made in the year to 31 December 2023, in respect of the shortfall of income of £267,904 arising for the year ended 31 December 2022. The Trustees concluded that it was not necessary to obtain advice regarding the use of power conferred on the Trustees by the Order.

Financial statements

The financial statements are set out on pages 10 to 16. They have been drawn up in compliance with the relevant provisions of the Charities Act 2011 and with the Declaration of Trust.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2023

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the regulations made under the Charities Act 2011. 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.

On behalf of the Trustees

JUSTINIAN ASH

8 May 2024



Handwritten signature: Julian Perry.
8 May 2024

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

AUDITORS' REPORT

Year ended 31 December 2023

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE FREEMASONS' FUND FOR SURGICAL RESEARCH

Opinion

We have audited the financial statements of The Freemasons' Fund For Surgical Research (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, 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 December 2023 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 trustee's 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. 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.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

AUDITORS' REPORT

Year ended 31 December 2023

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 trustees' responsibilities statement set out on page 5, 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.

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 by considering, amongst other things, 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 assessed level of risk, but recognised 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 focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to UK Charity Law and UK financial reporting standards application for UK charitable trusts.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of the investment advisors.

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 management that represented a risk of material misstatement due to fraud.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

AUDITORS' REPORT

Year ended 31 December 2023

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.

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 regulations made under section 154 of the Charities Act 2011. 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.

Dixon Wilson Audit services LLP

.....
Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

8 May 2024

Dixon Wilson Audit Services LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2023

	Note	Unrestricted Funds £	Endowment Funds £	2023 Total £	Unrestricted Funds £	Endowment Funds £	2022 Total £
Income and expenditure							
Income and endowments from:							
Donations and legacies	4	-	6,600	6,600	-	14,225	14,225
Investments		-	155,805	155,805	-	151,318	151,318
Total		<u>-</u>	<u>162,405</u>	<u>162,405</u>	<u>-</u>	<u>165,543</u>	<u>165,543</u>
Expenditure on:							
Raising funds	5	-	25,872	25,872	-	24,389	24,389
Charitable activities	6	267,527	-	267,527	267,904	-	267,904
Total resources expended		<u>267,527</u>	<u>25,872</u>	<u>293,399</u>	<u>267,904</u>	<u>24,389</u>	<u>292,293</u>
Net (outgoing)/incoming resources before other recognised gains and losses		(267,527)	136,533	(130,994)	(267,904)	141,154	(126,750)
Other recognised (losses)/gains:							
Net investment gain/(losses) in year	9	-	320,143	320,143	-	(598,764)	(598,764)
Net movement in funds for the year		(267,527)	456,676	189,149	(267,904)	(457,610)	(725,514)
Transfer between funds	13	267,904	(267,904)	-	265,189	(265,189)	-
Total (deficit)/funds brought forward		(267,904)	7,127,533	6,859,629	(265,189)	7,850,332	7,585,143
Total (deficit)/funds carried forward (page 11)		<u>(267,527)</u>	<u>7,316,305</u>	<u>7,048,778</u>	<u>(267,904)</u>	<u>7,127,533</u>	<u>6,859,629</u>

All amounts are in respect of continuing operations.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

BALANCE SHEET

At 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Investments at market value	9	<u>7,169,974</u>	<u>6,965,591</u>
Current assets			
Debtors	10	3,168	1,039
Cash		<u>153,640</u>	<u>164,098</u>
		<u>156,808</u>	<u>165,137</u>
Creditors: amounts falling due within one year	11	<u>(278,004)</u>	<u>(271,099)</u>
Net current liabilities		<u>(121,196)</u>	<u>(105,962)</u>
Total net assets	13	<u>7,048,778</u>	<u>6,859,629</u>
Represented by:			
Capital funds – Endowment	13	7,316,305	7,127,533
Income funds – Unrestricted		<u>(267,527)</u>	<u>(267,904)</u>
		<u>7,048,778</u>	<u>6,859,629</u>

The financial statements on pages 10 to 16 were approved by the Trustees on

8 May 2024.

JUSTINIAN ASH
Trustee

Justinian Ash
8 May 2024

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. General information

The Charity is an unincorporated trust. The principal address of the Charity is 7 Hansard Place, Romsey, Hampshire SO51 0EL.

2. Accounting policies

Basis of accounting

The financial statements have been prepared 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) (effective October 2019) – (Charities SORP (FRS 102)).

The Freemasons' Fund for Surgical Research meets the definition of a public benefit entity under FRS 102.

Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

These financial statements have been prepared under the historical cost convention modified to include the revaluation of investments.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Income recognition

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

Donations are recognised once the Charity has entitlement to the donations, it is certain that the donations will be received, and the monetary value of the donations can be measured with sufficient reliability.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. For grants payable, this is the point at which the recipient is notified. All expenditure is accounted for on an accruals basis.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Cash balances held as part of a fixed asset investment portfolio are presented as part of fixed assets.

(continued)

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

2. Accounting policies (continued)

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3. Staff numbers

The average number of persons employed by the charity during the year was 0 (2022 - 0).

4. Voluntary income	2023 £	2022 £
Other donations	6,600	14,225

5. Expenditure on raising funds	2023 £	2022 £
Investment management charges	24,615	23,943
Loss on foreign exchange movements	1,257	446
	<u>25,872</u>	<u>24,389</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6. Expenditure on charitable activities	Note	2023 £	2022 £
Grants to Royal College of Surgeons of England		260,000	260,000
Governance costs:			
Accountancy and audit	7	7,200	7,537
Bank charges		244	367
LEI provider fee		83	-
		<u>267,527</u>	<u>267,904</u>
<hr/>			
7. Total resources expended has been stated after charging		2023 £	2022 £
Accountancy		3,000	3,337
Audit		4,200	4,200
		<u>7,200</u>	<u>7,537</u>
<hr/>			
8. Trustees			
Trustees are not remunerated, and no expenses have been reimbursed.			
<hr/>			
9. Investments		2023 £	2022 £
Quoted investments:			
Carrying value (fair value) at beginning of year		6,776,613	7,674,401
Less: proceeds of disposals		(1,975,933)	(1,729,620)
Add: cost of additions		1,951,216	1,430,596
Net gain/(loss) for the year		320,143	(598,764)
Carrying value (fair value) at end of year		<u>7,072,039</u>	<u>6,776,613</u>
Cash		97,935	188,978
Total fixed asset investments		<u>7,169,974</u>	<u>6,965,591</u>
Quoted investments at cost		<u>5,989,051</u>	<u>5,861,527</u>
<hr/>			
10. Debtors		2023 £	2022 £
Accrued income		<u>3,168</u>	<u>1,039</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

11. Creditors: amounts falling due within one year

	2023 £	2022 £
Grants payable	260,000	260,000
Accruals	10,804	11,099
Other creditors	7,200	-
	<u>278,004</u>	<u>271,099</u>

12. Financial assets and liabilities

The following are financial assets that qualify as basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value through income and expenditure:

	2023 £	2022 £
Financial assets		
Investments excluding cash	<u>7,072,039</u>	<u>6,776,613</u>

13. Analysis of net assets between funds

	Fixed assets £	Net current assets/ (liabilities) £	Total £
Unapplied total return	4,047,950	146,331	4,194,281
Capital funds -Endowment	3,122,024	-	3,122,024
Total Endowment funds	<u>7,169,974</u>	<u>146,311</u>	<u>7,316,305</u>
Unrestricted funds	-	(267,527)	(267,527)
Total at 31 December 2023	<u>7,169,974</u>	<u>(121,196)</u>	<u>7,048,778</u>

At 31 December 2012, the Trustees identified that the Trust had funds of £2,742,349 representing unapplied total return, calculated as the total net assets of £3,325,118 at that date, less the initial capital of £582,769. Since that date, the following movements have taken place:

	2023 £	2022 £
At 1 January	4,012,109	4,749,133
Investment return: dividends and interest	155,805	151,318
Investment return: realised and unrealised gains/(losses)	320,143	(598,764)
Investment management fees	(25,872)	(24,389)
Allocated to trust for application (page 10)	(267,904)	(265,189)
At 31 December	<u>4,194,281</u>	<u>4,012,109</u>

After the year-end the Trustees resolved to make a transfer of £267,527 from Endowment funds to Unrestricted funds as permitted under the constitution of the Fund.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

14. Capital funds – Endowment

Endowment funds which at 31 December 2023 amounted to £7,094,861 arise from contributions received as follows from the Supreme Grand Chapter:

Prior to 31 December 1969	£582,769
During the year ended 31 December 2014	£2,424,900
During the year ended 31 December 2016	£35,000
During the year ended 31 December 2017	£22,000
During the year ended 31 December 2018	£27,733

Further gifts to the endowment have been received as follows from other individuals:

During the year ended 31 December 2019	£150
During the year ended 31 December 2020	£312
During the year ended 31 December 2021	£4,935
During the year ended 31 December 2022	£14,225
During the year ended 31 December 2023	£6,600

In light of the capital contribution from the Supreme Grand Chapter in May 2014 and the value of the Fund immediately prior to its receipt, it was resolved by the Trustees that future Freemasons' Fellowships, tenable at The Royal College of Surgeons, shall henceforth be attributed to the United Grand Lodge of England and to the Supreme Grand Chapter in the proportion of 3:2 with effect from 1 January 2015. Of the five Fellowships funded in the year ended 31 December 2023, two were attributed to the United Grand Lodge of England. The position since 1 January 2015 is as follows:

Year	Proportion	United Grand Lodge	Supreme Grand Chapter	Total
2015	2:2	2	2	4
2016	3:1	3	1	4
2017	3:2	3	2	5
2018	2:2	2	2	4
2019	2:2	2	2	4
2020	2:2	2	2	4
2021	2:2	2	2	4
2022	3:2	3	2	5
2023	3:2	3	2	5

15. Related party transactions

There have been no related party transactions in the year.

16. Financial commitments

Capital commitments are the legally binding obligations to make contributions of capital to a fund. The charity made capital contributions in GBP of £29,676 (2022 - £nil) in the period. At the balance sheet date £29,676 (2022 - £nil) had been paid. The total amount of unfunded capital commitments at the balance sheet date was £37,423.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

England & Wales - Charity number 252951

Accounts

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

I N D E X

Year ended 31 December 2022

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Investment summary	Appendix 1
History of grants paid to the Royal College of Surgeons of England	Appendix 2

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

GENERAL INFORMATION

Year ended 31 December 2022

Charity Registration number	252951
Patron	HRH The Duke of Kent KG
Trustees	Justinian Ash Julian Soper Jolyon Berry Antony Narula FRCS(Eng) Paul Copsey Howard Sabin FRCS(Eng), FRCS(Ed) Jonathan Randall
Registered office	22 Chancery Lane London WC2A 1LS
Auditors	Dixon Wilson Audit Services LLP 22 Chancery Lane London WC2A 1LS
Secretary	Michael Messent
Principal address	7 Hansard Place Romsey Hampshire SO51 0EL
Investment managers and advisers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
Bankers	Coutts & Co St Martin's Office 440 Strand London WC2R 0QS

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2022

This report should be read in conjunction with the information given on page 2.

Creation

The Fund was created in 1967 as a charitable foundation by contributions from Freemasons of the English Constitution to commemorate the 250th Anniversary of the original Grand Lodge Meeting.

Governing instrument

The governing instrument is a Declaration of Trust dated 8 May 1967.

Objects and public benefit

The Trustees have considered the guidance in respect of public benefit given by the Charity Commission in accordance with the requirements of the Charities Act 2011.

The object of the Fund as set out in paragraph 5 of the Declaration of Trust, as amended by resolution of the Trustees dated 20 May 2014, is to hold the Trust Fund and the income thereof upon trust firstly to pay therefrom all the proper costs and expenses incurred by the Trustees in administering the Charity and the property thereof and subject thereto to apply the same (whether by payments from capital or income) in furthering, in conjunction with the Royal College of Surgeons of England (a registered charity no. 212808), research in the science of surgery provided that in no accounting year shall the expenditure of the Trustees towards the Royal College exceed five per centum of the capital value of the Trust Fund calculated at the end of the accounting year immediately prior to incurring such expenditure. Trust capital is held in perpetuity, subject only to the deduction of all proper costs and expenses incurred by the Trustees should these not be covered by income.

All grants are made to the Royal College of Surgeons of England in accordance with the object of the Trust. The recipient charity has confirmed that, in their opinion, its activities satisfy the public benefit test. The Trustees are satisfied that this is for the public benefit and that there is no detriment or harm that might arise from carrying out this object. No person or body receives any private benefit other than as a beneficiary.

Organisational structure

The Secretary has overall control of the general conduct of the Fund's activities and is responsible for the implementation of the policies of the Trustees.

Trustees' policies

The Trustees' policies are:

- (a) to invest trust capital in order to provide a total return to further the trust objective.
- (b) to give grants to the Royal College of Surgeons of England.

Trustees

The names of the individuals who served as Trustees during the period are shown on page 2.

The power to appoint new Trustees is vested in the Grand Master of the United Grand Lodge of England.

There must be at least three and no more than seven Trustees.

The Trustees have unrestricted power of investment.

The Trustees meet at least twice each year to consider the Charity's activities and performance.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2022

Reserves

In line with the guidance issued by the Charity Commission, the Trustees have reviewed the need for reserves. The Trustees seek to apply all income in pursuance of the stated objects of the Fund as soon as is reasonably prudent. The present intention of the Trustees is to make annual grants to the Royal College of Surgeons of England sufficient to contribute to the support of four research fellowships. The Trustees and the College seek to fund a consistent number of research fellowships, year on year, and, to achieve this objective, the Trustees may have to resort to capital, within the permitted limit. The extent to which capital has been expended over the years is reflected in the figures of net current assets as set out in note 13 on page 15.

The Trustees monitor the level of reserves regularly.

Connected charities

There are no connected charities.

Investment policy

It is the policy of the Trustees to invest widely and to be diversified by asset class, by fund manager and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset class that is deemed suitable for the Fund.

From May 2022 and currently the benchmark ranges for asset allocation are 55-80%, fixed interest 5-25%, alternative investments 5-25%, private equity assets 4-10% and cash 0-10%. The investment policy was updated in the year in light of market developments in order to achieve the long term objective which is to generate a total return of inflation + 4%.

The objective is to achieve growth in capital and income. Within that broad objective, the aim of the Trustees is to obtain an annual total return sufficient to allow the disbursement of £260,000 or thereabouts from these investments, after covering expenses.

The Trustees seek to produce the best possible financial return in order to achieve the greatest amount of money available for the furtherance of medical research, whilst investing in a manner consistent with the Fund's aims and avoiding investing in businesses which may reasonably be regarded as undertaking activities which are injurious to individuals or society in general. The Trustees have resolved to invest in ESG funds with a weighting of 5-10%, providing they meet all other investment criteria. It is recognised that it is unrealistic to have zero tolerance to holdings in securities due to the way some investments are held within funds and because businesses are reclassified from time to time. As shown in the following table, some tolerance of restricted businesses shall be permitted, however there shall be no direct investment in certain businesses, as specified:

	Direct investment	Total exposure in any one fund	Total exposure overall
Tobacco	No	7.5%	2.5%
Gambling	No	7.5%	2.5%
Pornography	No	2.5%	1%
Predatory Lending	No	2.5%	1%
Fossil Fuels	Yes	10%	5%

The Trustees have also resolved to invest in private assets to a limited extent in order to diversify asset classes.

The Trustees have appointed Cazenove Capital Management Limited ("Cazenove") as investment advisers. Cazenove have discretion to change the investments without the specific instructions of the Trustees. Some funds are placed on deposit with Cazenove, otherwise investments are to be held in pooled funds. The performance benchmarks are the FTSE All Share Index for equity funds, the FTSE Government All Stocks Index for fixed interest funds, and 7 day LIBID for alternative investments. Cazenove report four times a year to the Trustees on the investment performance of the Fund and the investment policy is reviewed by the Trustees at least once a year.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2022

Financial review

During the year investment income totalled £151,318 (2021 - £128,978). 2022 included a donation of £14,225 (2021 - £4,935), received from individual donors. All donations were treated as additions to the endowment (capital) fund with the aim of increasing the value of annual grants to the Royal College of Surgeons of England.

Grants amounting to £260,000 (2021 - £260,000) were made by the Trustees to the Royal College of Surgeons of England.

At the year-end the investments, excluding cash, were valued at £6,776,613 (2021 - £7,674,401). All investments are held in accordance with the Declaration of Trust.

The unrestricted fund shows a total deficit of £267,904 (2021 – £265,189 (as restated)). The Trustees have a realistic expectation that future income will be received to cover the deficit. A transfer of £267,904 from the restricted fund will be made to clear this deficit, as stated in note 13 of the accounts.

Cazenove levied investment management charges in the year amounting to £23,943 (2021 - £25,958).

In accordance with the terms of an Order granted by the Charity Commissioners dated 20 May 2011, the Trustees have identified the unapplied total return at 31 December 2012 based on the difference between the net funds at that date less the initial capital of £582,769. Additions to the unapplied total return have been calculated for subsequent accounting periods based on the excess total return less grants and expenses, as set out in note 13 to the financial statements. An application of the unapplied total return has been made in the year to 31 December 2022, in respect of the shortfall of income of £265,189 (as restated) arising for the year ended 31 December 2021. The Trustees concluded that it was not necessary to obtain advice regarding the use of power conferred on the Trustees by the Order.

Financial statements

The financial statements are set out on pages 10 to 16. They have been drawn up in compliance with the relevant provisions of the Charities Act 2011 and with the Declaration of Trust.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

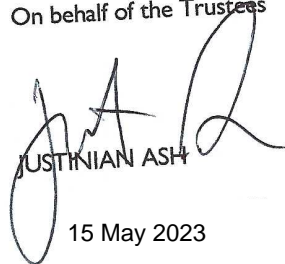
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, 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 FREEMASONS' FUND FOR SURGICAL RESEARCH
TRUSTEES' ANNUAL REPORT

Year ended 31 December 2022

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the regulations made under the Charities Act 2011. 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.

On behalf of the Trustees


JUSTINIAN ASH

15 May 2023

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

AUDITORS' REPORT

Year ended 31 December 2022

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE FREEMASONS' FUND FOR SURGICAL RESEARCH

Opinion

We have audited the financial statements of The Freemasons' Fund For Surgical Research (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, 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 December 2022 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 trustee's 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. 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.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

AUDITORS' REPORT

Year ended 31 December 2022

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 trustees' responsibilities statement set out on page 5, 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.

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 by considering, amongst other things, 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 assessed level of risk, but recognised 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 focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to UK Charity Law and UK financial reporting standards application for UK charitable trusts.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of the investment advisors.

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 management that represented a risk of material misstatement due to fraud.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

A U D I T O R S ' R E P O R T

Year ended 31 December 2022

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.

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 regulations made under section 154 of the Charities Act 2011. 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.

Other matters

The corresponding information in respect of the year ended 31 December 2021 presented in these financial statements is unaudited.

Dixon Wilson Audit Services LLP

.....
Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

1 June 2023

Dixon Wilson Audit Services LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2022

	Note	Unrestricted Funds £	Endowment Funds £	2022 Total £	Unrestricted Funds £	Endowment Funds £	2021 Total £
Income and expenditure							
Income and endowments from:							
Donations and legacies	4	-	14,225	14,225	-	4,935	4,935
Investments		-	151,318	151,318	-	128,976	128,976
Total		<u>-</u>	<u>165,543</u>	<u>165,543</u>	<u>-</u>	<u>133,911</u>	<u>133,911</u>
Expenditure on:							
Raising funds	5	-	24,389	24,389	-	25,958	25,958
Charitable activities	6	267,904	-	267,904	265,189	-	265,189
Total resources expended		<u>267,904</u>	<u>24,389</u>	<u>292,293</u>	<u>265,189</u>	<u>25,958</u>	<u>291,147</u>
Net (outgoing)/incoming resources before other recognised gains and losses		(267,904)	141,154	(126,750)	(265,189)	107,953	(157,236)
Other recognised (losses)/gains:							
Net investment (losses)/gains in year	9	-	(598,764)	(598,764)	-	709,690	709,690
Net movement in funds for the year		(267,904)	(457,610)	(725,514)	(265,189)	817,643	552,454
Transfer between funds	13	265,189	(265,189)	-	19,855	(19,855)	-
Total (deficit)/funds brought forward		(265,189)	7,850,332	7,585,143	(19,855)	7,052,544	7,032,689
Total (deficit)/funds carried forward (page 11)		<u>(267,904)</u>	<u>7,127,533</u>	<u>6,859,629</u>	<u>(265,189)</u>	<u>7,850,332</u>	<u>7,585,143</u>

All amounts are in respect of continuing operations.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

BALANCE SHEET

At 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments at market value	9	6,965,591	7,679,782
Current assets			
Debtors	10	1,039	1,620
Cash		164,098	43,742
		<u>165,137</u>	<u>45,362</u>
Creditors: amounts falling due within one year	11	(271,099)	(140,001)
Net current liabilities		<u>(105,962)</u>	<u>(94,639)</u>
Total net assets	13	<u>6,859,629</u>	<u>7,585,143</u>
Represented by:			
Capital funds – Endowment	13	7,127,533	7,850,322
Income funds – Unrestricted		(267,904)	(265,189)
		<u>6,859,629</u>	<u>7,585,143</u>

The financial statements on pages 10 to 16 were approved by the Trustees on

15 May 2023.


 JUSTINIAN ASH
 Trustee

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. General information

The Charity is an unincorporated trust. The principal address of the Charity is 7 Hansard Place, Romsey, Hampshire SO51 0EL.

2. Accounting policies

Basis of accounting

The financial statements have been prepared 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) (effective October 2019) – (Charities SORP (FRS 102)).

The Freemasons' Fund for Surgical Research meets the definition of a public benefit entity under FRS 102.

Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

These financial statements have been prepared under the historical cost convention modified to include the revaluation of investments.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Income recognition

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

Donations are recognised once the Charity has entitlement to the donations, it is certain that the donations will be received, and the monetary value of the donations can be measured with sufficient reliability.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. For grants payable, this is the point at which the recipient is notified. All expenditure is accounted for on an accruals basis.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Cash balances held as part of a fixed asset investment portfolio are presented as part of fixed assets.

(continued)

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

2. Accounting policies (continued)

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Restatement of prior year accounts

The accounts have been restated for a correction to the presentation of the income under the Total Return requirements per the SORP. Investment income has been restated to be shown in the Endowment Funds. This has resulted in a change to the unrestricted fund brought forward of £128,976, being the investment income received in the year ended 31 December 2021.

3. Staff numbers

The average number of persons employed by the charity during the year was 0 (2021 - 0).

4. Voluntary income	2022 £	2021 £
Other donations	14,225	4,935

5. Expenditure on raising funds	2022 £	2021 £
Investment management charges	23,943	25,958
Loss on foreign exchange movements	446	-
	<u>24,389</u>	<u>25,958</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

6. Expenditure on charitable activities	Note	2022	2021
		£	£
Grants to Royal College of Surgeons of England		260,000	260,000
Governance costs:			
Accountancy, audit and independent examination	7	7,537	4,550
Bank charges		367	494
LEI provider fee		-	145
		<u>267,904</u>	<u>265,189</u>

7. Total resources expended has been stated after charging	2022	2021
	£	£
Accountancy	3,337	2,990
Audit	4,200	-
Independent examination	-	1,560
	<u>7,537</u>	<u>4,550</u>

8. Trustees

Trustees are not remunerated, and no expenses have been reimbursed.

9. Investments	2022	2021
	£	£
Quoted investments:		
Carrying value (fair value) at beginning of year	7,674,401	7,004,427
Less: proceeds of disposals	(1,729,620)	(1,790,334)
Add: cost of additions	1,430,596	1,750,618
Net (loss)/gain for the year	(598,764)	709,690
Carrying value (fair value) at end of year	<u>6,776,613</u>	<u>7,674,401</u>
Cash	188,978	5,381
Total fixed asset investments	<u>6,965,591</u>	<u>7,679,782</u>
Quoted investments at cost	<u>5,861,527</u>	<u>5,874,747</u>

10. Debtors	2022	2021
	£	£
Accrued income	<u>1,039</u>	<u>1,620</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

11. Creditors: amounts falling due within one year

	2022	2021
	£	£
Grants payable	260,000	130,000
Accruals	11,099	10,001
	<u>271,099</u>	<u>140,001</u>

12. Financial assets and liabilities

The following are financial assets that qualify as basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value through income and expenditure:

	2022	2021
	£	£
Financial assets		
Investments excluding cash	<u>6,776,613</u>	<u>7,674,401</u>

13. Analysis of net assets between funds

	Fixed assets £	Net current assets £	Total £
Unapplied total return	3,850,167	161,942	4,012,109
Capital funds -Endowment	<u>3,115,424</u>	-	<u>3,115,424</u>
Total Endowment funds	6,965,591	161,942	7,127,533
Unrestricted funds	-	<u>(267,904)</u>	<u>(267,904)</u>
Total at 31 December 2022	<u>6,965,591</u>	<u>(105,962)</u>	<u>6,859,629</u>

At 31 December 2012, the Trustees identified that the Trust had funds of £2,742,349 representing unapplied total return, calculated as the total net assets of £3,325,118 at that date, less the initial capital of £582,769. Since that date, the following movements have taken place:

	2022	2021
	£	£
At 1 January	4,749,133	3,956,280
Investment return: dividends and interest	151,318	128,976
Investment return: realised and unrealised (losses)/gains	(598,764)	709,690
Investment management fees	(24,389)	(25,958)
Allocated to trust for application (page 10)	<u>(265,189)</u>	<u>(19,855)</u>
At 31 December	<u>4,012,109</u>	<u>4,749,133</u>

After the year-end the Trustees resolved to make a transfer of £267,904 from Endowment funds to Unrestricted funds as permitted under the constitution of the Fund.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

14. Capital funds – Endowment

Endowment funds which at 31 December 2022 amounted to £7,127,533 arise from contributions received as follows from the Supreme Grand Chapter:

Prior to 31 December 1969	£582,769
During the year ended 31 December 2014	£2,424,900
During the year ended 31 December 2016	£35,000
During the year ended 31 December 2017	£22,000
During the year ended 31 December 2018	£27,733

Further gifts to the endowment have been received as follows from other individuals:

During the year ended 31 December 2019	£150
During the year ended 31 December 2020	£312
During the year ended 31 December 2021	£4,935
During the year ended 31 December 2022	£14,225

In light of the capital contribution from the Supreme Grand Chapter in May 2014 and the value of the Fund immediately prior to its receipt, it was resolved by the Trustees that future Freemasons' Fellowships, tenable at The Royal College of Surgeons, shall henceforth be attributed to the United Grand Lodge of England and to the Supreme Grand Chapter in the proportion of 3:2 with effect from 1 January 2015. Of the four Fellowships funded in the year ended 31 December 2022, two were attributed to the United Grand Lodge of England. The position since 1 January 2015 is as follows:

Year	Proportion	United Grand Lodge	Supreme Grand Chapter	Total
2015	2:2	2	2	4
2016	3:1	3	1	4
2017	3:2	3	2	5
2018	2:2	2	2	4
2019	2:2	2	2	4
2020	2:2	2	2	4
2021	2:2	2	2	4
2022	3:2	3	2	5

15. Related party transactions

There have been no related party transactions in the year.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

England & Wales - Charity number 252951

Accounts

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

I N D E X

Year ended 31 December 2021

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THE FREEMASONS' FUND FOR SURGICAL RESEARCH

GENERAL INFORMATION

Year ended 31 December 2021

Charity Registration number	252951
Patron	HRH The Duke of Kent KG
Trustees	Justinian Ash Julian Soper Jolyon Berry Antony Narula FRCS(Eng) Paul Copsey Howard Sabin FRCS(Eng), FRCS(Ed) Jonathan Randall
Registered office	22 Chancery Lane London WC2A 1LS
Independent examiner	Gordon Spinks ACA Dixon Wilson 22 Chancery Lane London WC2A 1LS
Secretary	Michael Messent
Principal address	7 Hansard Place Romsey Hampshire SO51 0EL
Investment bankers and advisers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
Bankers	Coutts & Co St Martin's Office 440 Strand London WC2R 0QS

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2021

This report should be read in conjunction with the information given on page 2.

Creation

The Fund was created in 1967 as a charitable foundation by contributions from Freemasons of the English Constitution to commemorate the 250th Anniversary of the original Grand Lodge Meeting.

Governing instrument

The governing instrument is a Declaration of Trust dated 8 May 1967.

Objects and public benefit

The Trustees have considered the guidance in respect of public benefit given by the Charity Commission in accordance with the requirements of the Charities Act 2011.

The object of the Fund as set out in paragraph 5 of the Declaration of Trust, as amended by resolution of the Trustees dated 20 May 2014, is to hold the Trust Fund and the income thereof upon trust firstly to pay therefrom all the proper costs and expenses incurred by the Trustees in administering the Charity and the property thereof and subject thereto to apply the same (whether by payments from capital or income) in furthering, in conjunction with the Royal College of Surgeons of England (a registered charity no. 212808), research in the science of surgery provided that in no accounting year shall the expenditure of the Trustees towards the Royal College exceed five per centum of the capital value of the Trust Fund calculated at the end of the accounting year immediately prior to incurring such expenditure. Trust capital is held in perpetuity, subject only to the deduction of all proper costs and expenses incurred by the Trustees should these not be covered by income.

All grants are made to the Royal College of Surgeons of England in accordance with the object of the Trust. The recipient charity has confirmed that, in their opinion, its activities satisfy the public benefit test. The Trustees are satisfied that this is for the public benefit and that there is no detriment or harm that might arise from carrying out this object. No person or body receives any private benefit other than as a beneficiary.

Organisational structure

The Secretary has overall control of the general conduct of the Fund's activities and is responsible for the implementation of the policies of the Trustees.

Trustees' policies

The Trustees' policies are:

- (a) to invest trust capital in order to provide a total return to further the trust objective.
- (b) to give grants to the Royal College of Surgeons of England.

Trustees

The names of the individuals who served as Trustees during the period are shown on page 2.

The power to appoint new Trustees is vested in the Grand Master of the United Grand Lodge of England.

There must be at least three and no more than seven Trustees.

The Trustees have unrestricted power of investment.

The Trustees meet at least twice each year to consider the Charity's activities and performance.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2021

Reserves

In line with the guidance issued by the Charity Commission, the Trustees have reviewed the need for reserves. The Trustees seek to apply all income in pursuance of the stated objects of the Fund as soon as is reasonably prudent. The present intention of the Trustees is to make annual grants to the Royal College of Surgeons of England sufficient to contribute to the support of four research fellowships. The Trustees and the College seek to fund a consistent number of research fellowships, year on year, and, to achieve this objective, the Trustees may have to resort to capital, within the permitted limit. The extent to which capital has been expended over the years is reflected in the figures of net current liabilities as set out in note 13 on page 13.

The Trustees monitor the level of reserves regularly.

Connected charities

There are no connected charities.

Investment policy

It is the policy of the Trustees to invest in equities, in fixed interest stocks, in alternative investments, and to place money with deposit takers.

The benchmark ranges for asset allocations were 55-80% Global equities, 5-25% fixed interest, 5-25% alternative investments and 0-10% cash. The investment policy was updated in 2020 in light of market developments in order to achieve the long term objective which is to generate a total return of inflation + 4%.

The objective is to achieve growth in capital and income. Within that broad objective, the aim of the Trustees is to obtain an annual total return sufficient to allow the disbursement of £240,000 or thereabouts from these investments, after covering expenses, to be achieved with effect from and including the year 2015.

The Trustees seek to produce the best possible financial return in order to achieve the greatest amount of money available for the furtherance of medical research, whilst investing in a manner consistent with the Fund's aims and avoiding investing in businesses which may reasonably be regarded as undertaking activities which are injurious to individuals or society in general. The Trustees have resolved to invest in ESG funds with a weighting of 5-10%, providing they meet all other investment criteria. It is recognised that it is unrealistic to have zero tolerance to holdings in securities due to the way some investments are held within funds and because businesses are reclassified from time to time. As shown in the following table, some tolerance of restricted businesses shall be permitted, however there shall be no direct investment in certain businesses, as specified:

	Direct investment	Total exposure in any one fund	Total exposure overall
Tobacco	No	7.5%	2.5%
Gambling	No	7.5%	2.5%
Pornography	No	2.5%	1%
Predatory Lending	No	2.5%	1%
Fossil Fuels	Yes	10%	5%

The Trustees have appointed Cazenove Capital Management Limited ("Cazenove") as investment advisers. Cazenove have discretion to change the investments without the specific instructions of the Trustees. Some funds are placed on deposit with Cazenove, otherwise investments are to be held in pooled funds. The performance benchmarks are the FTSE All Share Index for equity funds, the FTSE Government All Stocks Index for fixed interest funds, and 7 day LIBID for alternative investments. Cazenove report four times a year to the Trustees on the investment performance of the Fund and the investment policy is reviewed by the Trustees at least once a year.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2021

Financial review

During the year investment income totalled £128,976 (2020 - £163,943). 2021 including donation amount to £4,935 (2020 - £312), received from individual donors. All donations were treated as additions to the endowment (capital) fund with the aim of increasing the value of annual grants to the Royal College of Surgeons of England.

Grants amounting to £260,000 (2020 - £180,000) were made by the Trustees to the Royal College of Surgeons of England.

At the year-end the investments were valued at £7,674,401 (2020 - £7,004,427). All investments are held in accordance with the Declaration of Trust.

The unrestricted fund shows a total deficit of £136,213 (2020 - £19,855). In accordance with the Charities SORP (FSR102) it is acceptable to carry forward a deficit, as the Trustees have a realistic expectation that future income will be received to cover the shortfall. A transfer of £136,213 from the restricted fund will be made to clear this deficit, as stated in note 13 of the accounts.

Cazenove levied investment management charges in the year amounting to £25,958 (2020 - £24,160).

In accordance with the terms of an Order granted by the Charity Commissioners dated 20 May 2011, the Trustees have identified the unapplied total return at 31 December 2012 based on the difference between the net funds at that date less the initial capital of £582,769. Additions to the unapplied total return have been calculated for subsequent accounting periods based on the excess total return less grants and expenses, as set out in note 13 to the financial statements. An application of the unapplied total return has been made in the year to 31 December 2021, in respect of the shortfall of income of £19,855 arising for the year ended 31 December 2020. The Trustees concluded that it was not necessary to obtain advice regarding the use of power conferred on the Trustees by the Order.

Financial statements

Accounts are set out on pages 8 to 14. They have been drawn up in compliance with the relevant provisions of the Charities Act 2011 and with the Declaration of Trust.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 FREEMASONS' FUND FOR SURGICAL RESEARCH

T R U S T E E S ' A N N U A L R E P O R T

Year ended 31 December 2021

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the regulations made under the Charities Act 2011. 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.

On behalf of the Trustees

JUSTINIAN ASH



25 May 2022

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

INDEPENDENT EXAMINER'S REPORT

Year ended 31 December 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE FREEMASONS' FUND FOR SURGICAL RESEARCH

I report to the Trustees on my examination of the accounts of the Trust for the year ended 31 December 2021.

Responsibilities and basis of report

As the Charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). You are satisfied that an audit is not required for this year under charity law and that an independent examination is needed.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. Dixon Wilson, a firm of Chartered Accountants of which I am a partner, has provided bookkeeping services to the Trust and I have applied the FRC's Revised Ethical Standard in carrying out my examination.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters than an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



GORDON SPINKS ACA
Dixon Wilson
22 Chancery Lane
London WC2A 1LS

26 May 2022

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

S T A T E M E N T O F F I N A N C I A L A C T I V I T I E S

Year ended 31 December 2021

	Note	Unrestricted Funds £	Endowment Funds £	2021 Total £	Unrestricted Funds £	Endowment Funds £	2020 Total £
Income and expenditure							
Income and endowments from:							
Donations and legacies	4	-	4,935	4,935	-	312	312
Investments		128,976	-	128,976	163,943	-	163,943
Total		<u>128,976</u>	<u>4,935</u>	<u>133,911</u>	<u>163,943</u>	<u>312</u>	<u>164,255</u>
Expenditure on:							
Raising funds	5	-	25,958	25,958	-	24,160	24,160
Charitable activities	6	265,189	-	265,189	183,798	-	183,798
Total resources expended		<u>265,189</u>	<u>25,958</u>	<u>291,147</u>	<u>183,798</u>	<u>24,160</u>	<u>207,958</u>
Net outgoing resources before other recognised gains and losses		<u>(136,213)</u>	<u>(21,023)</u>	<u>(157,236)</u>	<u>(19,855)</u>	<u>(23,848)</u>	<u>(43,703)</u>
Other recognised losses:							
Net investment gains/(losses) in year	9	-	709,690	709,690	-	(70,054)	(70,054)
Net movement in funds for the year		<u>(136,213)</u>	<u>688,667</u>	<u>552,454</u>	<u>(19,855)</u>	<u>(93,902)</u>	<u>(113,757)</u>
Transfer between funds	13	19,885	(19,855)	-	8,680	(8,680)	-
Total (deficit)/funds brought forward		<u>(19,855)</u>	<u>7,052,544</u>	<u>7,032,689</u>	<u>(8,680)</u>	<u>7,155,126</u>	<u>7,146,446</u>
Total (deficit)/funds carried forward (page 9)		<u>(136,213)</u>	<u>7,721,356</u>	<u>7,585,143</u>	<u>(19,855)</u>	<u>7,052,544</u>	<u>7,032,689</u>

All amounts are in respect of continuing operations.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

BALANCE SHEET

At 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments at market value	9	<u>7,679,782</u>	<u>7,101,893</u>
Current assets			
Debtors	10	1,620	2,191
Cash		<u>43,742</u>	<u>27,827</u>
		<u>45,362</u>	<u>30,018</u>
Creditors: amounts falling due within one year	11	<u>(140,001)</u>	<u>(99,222)</u>
Net current liabilities	13	<u>(94,639)</u>	<u>(69,204)</u>
Total net assets	13	<u>7,585,143</u>	<u>7,032,689</u>
Represented by:			
Capital funds – Endowment	14	7,721,356	7,052,544
Income funds – Unrestricted		(136,213)	(19,855)
		<u>7,585,143</u>	<u>7,032,689</u>

The financial statements on pages 8 to 14 were approved by the Trustees on 25 May 2022.

JUSTINIAN ASH
Trustee



THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. General information

The Charity is an unincorporated trust. The principal address of the Charity is 7 Hansard Place, Romsey, Hampshire SO51 0EL.

2. Accounting policies

Basis of accounting

The financial statements have been prepared 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) (effective 1 January 2019) – (Charities SORP (FRS 102)).

The Freemasons' Fund for Surgical Research meets the definition of a public benefit entity under FRS 102.

Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

These financial statements have been prepared under the historical cost convention modified to include the revaluation of investments.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Income recognition

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

Donations are recognised once the Charity has entitlement to the donations, it is certain that the donations will be received, and the monetary value of the donations can be measured with sufficient reliability.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. For grants payable, this is the point at which the recipient is notified. All expenditure is accounted for on an accruals basis.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Cash balances held as part of a fixed asset investment portfolio are presented as part of fixed assets.

(continued)

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

2. Accounting policies (continued)

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Capital funds – Endowment

Incoming resources arising from Endowment funds are unrestricted unless otherwise specified by the donor.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3. Staff numbers

The average number of persons employed by the charity during the year was 0 (2020 - 0).

4. Voluntary income

	2021 £	2020 £
Other donations	4,935	312

5. Expenditure on raising funds

	2021 £	2020 £
Investment management charges	25,958	24,160

6. Expenditure on charitable activities

	Note	2021 £	2020 £
Grants to Royal College of Surgeons of England		260,000	180,000
Governance costs:			
Accountancy and independent examination	7	4,550	3,240
Bank charges		494	483
LEI provider fee		145	75
		<u>265,189</u>	<u>183,798</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2021**

7. Total resources expended has been stated after charging	2021	2020
	£	£
Accountancy	2,990	1,950
Independent examination	1,560	1,290
	<u>4,550</u>	<u>3,240</u>

8. Trustees

Trustees are not remunerated, and no expenses have been incurred.

9. Investments	2021	2020
	£	£
Quoted investments:		
Carrying value (market value) at beginning of year	7,004,427	6,923,863
Less: proceeds of disposals	(1,790,334)	(2,261,474)
Add: cost of additions	1,750,618	2,412,092
Net gain/(loss) for the year (page 8)	709,690	(70,054)
Carrying value (market value) at end of year	<u>7,674,401</u>	<u>7,004,427</u>
Cash	5,381	97,466
Total fixed asset investments (page 9)	<u>7,679,782</u>	<u>7,101,893</u>
Quoted investments at cost	<u>5,874,747</u>	<u>5,604,017</u>

10. Debtors	2021	2020
	£	£
Accrued income	<u>1,620</u>	<u>2,191</u>

11. Creditors: amounts falling due within one year	2021	2020
	£	£
Grants payable	130,000	90,000
Accruals	10,001	9,222
	<u>140,001</u>	<u>99,222</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

12. Financial assets and liabilities

The following are financial assets that qualify as basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value through income and expenditure:

	2021 £	2020 £
Financial assets		
Investments	<u>7,674,401</u>	<u>7,004,427</u>

13. Analysis of net assets between funds

	Fixed assets £	Net current liabilities £	Total £
Unrestricted funds	-	(136,213)	(136,213)
Endowment funds	7,679,782	41,574	7,721,356
Total at 31 December 2021	<u>7,679,782</u>	<u>(94,639)</u>	<u>7,585,143</u>

At 31 December 2012, the Trustees identified that the Trust had funds of £2,742,349 representing unapplied total return, calculated as the total net assets of £3,325,118 at that date, less the initial capital of £582,769. Since that date, the following movements have taken place:

	2021 £	2020 £
At 1 January	3,956,280	4,059,174
Increase/(decrease) in unapplied total return	709,690	(70,054)
Investment management fees	(25,958)	(24,160)
Allocated to trust for application (page 8)	(19,855)	(8,680)
At 31 December	<u>4,620,157</u>	<u>3,956,280</u>

After the year-end the Trustees resolved to make a transfer of £136,213 from Endowment funds to Unrestricted funds as permitted under the constitution of the Fund.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

14. Capital funds – Endowment

Capital funds which at 31 December 2021 amounted to £7,721,356 arise from contributions received as follows from the Supreme Grand Chapter:

Prior to 31 December 1969	£582,769
During the year ended 31 December 2014	£2,424,900
During the year ended 31 December 2016	£35,000
During the year ended 31 December 2017	£22,000
During the year ended 31 December 2018	£27,733

In light of the capital contribution from the Supreme Grand Chapter in May 2014 and the value of the Fund immediately prior to its receipt, it was resolved by the Trustees that future Freemasons' Fellowships, tenable at The Royal College of Surgeons, shall henceforth be attributed to the United Grand Lodge of England and to the Supreme Grand Chapter in the proportion of 3:2 with effect from 1 January 2015. Of the four Fellowships funded in the year ended 31 December 2021, two were attributed to the United Grand Lodge of England. The position since 1 January 2015 is as follows:

Year	Proportion	United Grand Lodge	Supreme Grand Chapter	Total
2015	2:2	2	2	4
2016	3:1	3	1	4
2017	3:2	3	2	5
2018	2:2	2	2	4
2019	2:2	2	2	4
2020	2:2	2	2	4
2021	2:2	2	2	4

15. Related party transactions

There have been no related party transactions in the year.

Year ended 31 December 2021

	At 1 January 2021			Additions			Disposals			At 31 December 2021		
	No.	Cost £	Market value £	No.	Cost £	Realised gain/(loss) on historic cost £	Proceeds £	Gain/(loss) on market value as at 31 December 2021 £	No.	Cost £	Market value £	Unrealised gain/(loss) £
1.25% UK Treasury Stock	75,000	83,303	83,295	-	-	(7,266)	76,037	(7,258)	-	-	-	-
Allianz China Equity	60	99,930	1,0632	-	-	246	-	(12,513)	60	100,176	98,119	(2,057)
Altis GI Infrastructure	850	97,176	104,232	-	-	-	-	7,889	850	97,176	12,121	14,945
Blackrock (Lux) Asian Dragon Fund	5,000	92,528	195,650	-	-	-	214,100	18,450	-	-	-	-
Blackrock European Dynamic Fund	85,000	147,912	287,825	-	-	-	-	38,505	85,000	147,912	246,330	98,418
BreanHoward Abs	-	-	-	930	99,021	-	-	4,743	930	99,021	03,764	4,743
Capita Financial Managers Trojan S Inc NAV (Trojan Fund)	100,000	208,513	285,970	-	-	-	-	24,010	70,000	145,959	224,651	78,692
Capita Fin Mngers Trojan Income O Inc Nav (Trojan Income Fund)	300,000	416,731	539,640	-	-	22,775	85,329	40,770	200,000	277,821	405,980	128,159
Charities Property Fund	200,000	255,388	247,900	-	-	35,520	174,430	25,980	200,000	255,388	273,880	18,492
Fidelity GL Dividend	120,000	170,067	245,520	-	-	-	-	24,087	120,000	170,067	269,607	99,540
Fedt Hermes Unc Credit	-	-	-	106,155	113,650	-	-	(1,590)	106,155	113,650	12,060	(1,590)
Findlay Park American Fund	5,000	225,119	582,050	-	-	-	-	155,250	5,000	225,119	737,300	512,181
iShares IV China	25,000	100,786	97,766	-	-	(4,226)	96,560	(1,206)	-	-	-	-
iShares IV USD	15,000	86,432	83,685	-	-	(9,450)	76,982	(6,704)	-	-	-	-
iShares Physical gold	7,500	207,454	201,825	-	-	46	-	(4,462)	7,500	207,454	97,363	(10,091)
(MU) Lyxor Core US TIPS	730	81,175	82,381	1,300	149,509	-	-	9,507	2,030	230,730	241,397	10,667
M & G Investment Man Global Dividend	200,000	147,425	221,660	-	-	21,994	58,850	21,570	150,000	110,569	84,560	73,991
Majedie UK Equity Fund	250,000	330,194	351,575	-	-	-	-	57,150	250,000	330,194	408,725	78,531
Morgan Stanley GI ABS	-	-	-	5,519	140,733	-	-	(467)	5,519	140,733	140,266	(467)
Ninety III Glb Env - GBP	-	-	-	114,674	191,061	-	-	16,338	114,674	191,061	207,399	16,338
Polar GI Insurance Fund	19,500	103,707	107,983	-	(67)	-	-	15,904	19,500	103,640	123,819	20,179
Robeco BP GI Prem Equity	1,750	194,478	197,593	-	-	-	-	39,480	1,750	194,478	237,073	42,595
Schroder Asia Alpha Plus Fund	70,000	120,540	131,810	250,000	329,742	22,820	143,360	(1,692)	250,000	329,742	316,500	(13,242)
Schroder GI Recovery GBP	1,300	321,429	356,614	-	151,075	-	-	14,800	250,000	151,075	165,875	14,800
Schroder GI Sustainable Growth QV GBP	-	-	-	1,300	321,429	46,011	367,440	10,826	-	-	-	-
Schroder GI Sustainable Growth 5 GBP	-	-	-	725,857	363,226	-	-	63,215	725,857	363,226	426,441	63,215
Schroder SSF Alt Assets	2,650	275,586	272,474	-	-	-	-	34,652	2,650	275,586	307,126	31,540
Schroder UK Corporate Bond Fund	635,000	332,043	411,798	180,000	95,855	21,073	116,928	(4,153)	517,000	275,317	329,846	54,529
The Equity Income Trust for Charities - Class S	925,000	276,745	415,788	-	-	-	-	42,550	925,000	276,745	458,338	181,593
T.Rowe Asian optt Equity Fund	-	-	-	14,677	153,620	(15,453)	138,167	(15,453)	-	-	-	-
T.Rowe Global Technology Equity Fund	10,526	123,830	214,197	3,526	41,478	35,664	77,142	18,695	7,000	82,352	155,750	73,398
Yanguard Em Mkts S&P 500	400	75,072	85,437	-	-	-	-	(3,516)	400	75,072	81,921	6,849
Yanguard Japan Stock Index Fund	660	104,104	113,451	-	-	-	-	896	660	104,104	114,347	10,243
Yontobel Fund SICAV - TwentyFour	1,000	103,233	103,420	1,000	103,233	327	103,560	140	20,000	137,837	199,556	61,719
Wellington Global Health Care	19,000	180,207	251,959	6,148	42,370	18,769	61,139	8,736	1,000	142,910	176,490	33,580
William Blair US Small Mid Cap	1,000	142,910	160,610	-	-	-	-	15,880	1,000	142,910	176,490	33,580
SUTL Cazenove Charity Responsible	910,249	500,000	559,687	-	19,919	24	310	58,501	909,728	519,633	617,797	98,164
Total	3,987,175	5,604,017	7,064,427	1,750,618	1,479,888	310,446	1,790,334	709,690	5,874,747	7,674,401	1,799,654	

HISTORY OF GRANTS PAID TO THE ROYAL COLLEGE
OF SURGEONS OF ENGLAND

Grants have been made to The Royal College of Surgeons of England as follows:

Year	£
1968	12,000
1969	25,500
1970	35,000
1971	30,000
1972	30,300
1973	30,000
1974	30,000
1975	30,000
1976	30,000
1977	59,100
1978	45,060
1979	40,000
1980	45,000
1981	60,000
1982	50,000
1983	55,000
1984	115,000
1985	86,125
1986	72,875
1987	75,000
1988	97,500
1989	95,000
1990	105,000
1991	105,000
1992	110,648
1993	115,000
1994	120,000
1995	136,000
1996	140,000
1997	145,000
1998	147,500
1999	155,000
2000	145,000
2001	140,000
2002	120,000
2003	120,000
2004	126,000
2005	155,700
2006	135,000
2007	145,500
2008	145,500
2009	135,000
2010	135,000
2011	130,000
2012	135,000
2013	135,000
2014	135,000
2015	220,000
2016	220,000
2017	250,000
2018	220,000
2019	220,000
2020	180,000
2021	260,000
	<u>6,035,308</u>

This page does not form part of the statutory financial statements

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

England & Wales - Charity number 252951

Accounts

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

I N D E X

Year ended 31 December 2020

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History of grants paid to the Royal College of Surgeons of England	Appendix 2

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

GENERAL INFORMATION

Year ended 31 December 2020

Charity Registration number	252951
Patron	HRH The Duke of Kent KG
Trustees	Justin Ash Lord Ribeiro Kt CBE FRCS (Retired 5 October 2020) Julian Soper Jolyon Berry Antony Narula FRCS(Eng) Paul Copsey Howard Sabin FRCS(Eng), FRCS(Ed) (Appointed 6 October 2020) Jonathon Randall (Appointed 6 October 2020)
Registered office	22 Chancery Lane London WC2A 1LS
Independent examiner	Gordon Spinks ACA Dixon Wilson 22 Chancery Lane London WC2A 1LS
Secretary	Michael Messent
Principal address	7 Hansard Place Romsey Hampshire SO51 0EL
Investment bankers and advisers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU
Bankers	Coutts & Co St Martin's Office 440 Strand London WC2R 0QS

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2020

This report should be read in conjunction with the information given on page 2.

Creation

The Fund was created in 1967 as a charitable foundation by contributions from Freemasons of the English Constitution to commemorate the 250th Anniversary of the original Grand Lodge Meeting.

Governing instrument

The governing instrument is a Declaration of Trust dated 8 May 1967.

Objects and public benefit

The Trustees have considered the guidance in respect of public benefit given by the Charity Commission in accordance with the requirements of the Charities Act 2011.

The object of the Fund as set out in paragraph 5 of the Declaration of Trust, as amended by resolution of the Trustees dated 20 May 2014, is to hold the Trust Fund and the income thereof upon trust firstly to pay therefrom all the proper costs and expenses incurred by the Trustees in administering the Charity and the property thereof and subject thereto to apply the same (whether by payments from capital or income) in furthering, in conjunction with the Royal College of Surgeons of England (a registered charity no. 212808), research in the science of surgery provided that in no accounting year shall the expenditure of the Trustees towards the Royal College exceed five per centum of the capital value of the Trust Fund calculated at the end of the accounting year immediately prior to incurring such expenditure. Trust capital is held in perpetuity, subject only to the deduction of all proper costs and expenses incurred by the Trustees should these not be covered by income.

All grants are made to the Royal College of Surgeons of England in accordance with the object of the Trust. The recipient charity has confirmed that, in their opinion, its activities satisfy the public benefit test. The Trustees are satisfied that this is for the public benefit and that there is no detriment or harm that might arise from carrying out this object. No person or body receives any private benefit other than as a beneficiary.

Organisational structure

The Secretary has overall control of the general conduct of the Fund's activities and is responsible for the implementation of the policies of the Trustees.

Trustees' policies

The Trustees' policies are:

- (a) to invest trust capital in order to provide a total return to further the trust objective.
- (b) to give grants to the Royal College of Surgeons of England.

Trustees

The names of the individuals who served as Trustees during the period are shown on page 2.

The power to appoint new Trustees is vested in the Grand Master of the United Grand Lodge of England.

There must be at least three and no more than seven Trustees.

The Trustees have unrestricted power of investment.

The Trustees meet at least twice each year to consider the Charity's activities and performance.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2020

Reserves

In line with the guidance issued by the Charity Commission, the Trustees have reviewed the need for reserves. The Trustees seek to apply all income in pursuance of the stated objects of the Fund as soon as is reasonably prudent. The present intention of the Trustees is to make annual grants to the Royal College of Surgeons of England sufficient to contribute to the support of four research fellowships. The Trustees and the College seek to fund a consistent number of research fellowships, year on year, and, to achieve this objective, the Trustees may have to resort to capital, within the permitted limit. The extent to which capital has been expended over the years is reflected in the figures of net current assets as set out in note 13 on page 13.

The Trustees monitor the level of reserves regularly.

Connected charities

There are no connected charities.

Investment policy

It is the policy of the Trustees to invest in equities, in fixed interest stocks, in alternative investments, and to place money with deposit takers.

From May 2020 and currently, the benchmark ranges for asset allocation were 55-80% Global equities, 5-25% fixed interest, 5-25% alternative investments and 0-10% cash. The investment policy was updated in the year in light of market developments in order to achieve the long term objective which is to generate a total return of inflation + 4%.

The objective is to achieve growth in capital and income. Within that broad objective, the aim of the Trustees is to obtain an annual total return sufficient to allow the disbursement of £220,000 or thereabouts from these investments, after covering expenses, to be achieved with effect from and including the year 2015. The current year disbursement of £180,000 is a temporary reduction from the targeted disbursement and is in response to financial uncertainty owing to the Covid-19 pandemic.

The Trustees seek to produce the best possible financial return in order to achieve the greatest amount of money available for the furtherance of medical research, whilst investing in a manner consistent with the Fund's aims and avoiding investing in businesses which may reasonably be regarded as undertaking activities which are injurious to individuals or society in general. The Trustees have resolved to invest in ESG funds with a weighting of 5-10%, providing they meet all other investment criteria. It is recognised that it is unrealistic to have zero tolerance to holdings in securities due to the way some investments are held within funds and because businesses are reclassified from time to time. As shown in the following table, some tolerance of restricted businesses shall be permitted, however there shall be no direct investment in certain businesses, as specified:

	Direct investment	Total exposure in any one fund	Total exposure overall
Tobacco	No	7.5%	2.5%
Gambling	No	7.5%	2.5%
Pornography	No	2.5%	1%
Predatory Lending	No	2.5%	1%
Fossil Fuels	Yes	10%	5%

The Trustees have appointed Cazenove Capital Management Limited ("Cazenove") as investment advisers. Cazenove have discretion to change the investments without the specific instructions of the Trustees. Some funds are placed on deposit with Cazenove, otherwise investments are to be held in pooled funds. The performance benchmarks are the FTSE All Share Index for equity funds, the FTSE Government All Stocks Index for fixed interest funds, and 7 day LIBID for alternative investments. Cazenove report four times a year to the Trustees on the investment performance of the Fund and the investment policy is reviewed by the Trustees at least once a year.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2020

Financial review

During the year investment income totalled £163,943 (2019 - £215,159). 2020 included a donation of £312 (2019 - £150), received from individual donors. All donations were treated as additions to the endowment (capital) fund with the aim of increasing the value of annual grants to the Royal College of Surgeons of England.

Grants amounting to £180,000 (2019 - £220,000) were made by the Trustees to the Royal College of Surgeons of England.

At the year-end the investments were valued at £7,004,427 (2019 - £6,923,863). The Trustees are aware of the impact of the Covid-19 pandemic on the valuation of and the future income from the investments. The Trustees continue to work with their investment advisers to mitigate the impact, and have reduced the expenditure on grants this year, albeit capital can be called upon to meet a shortfall in income, if one occurs. All investments are held in accordance with the Declaration of Trust.

The unrestricted fund shows a total deficit of £19,855. In accordance with the Charities SORP (FSR102) it is acceptable to carry forward a deficit, as the Trustees have a realistic expectation that future income will be received to cover the shortfall.

Cazenove levied investment management charges in the year amounting to £24,160 (2019 - £24,519).

In accordance with the terms of an Order granted by the Charity Commissioners dated 20 May 2011, the Trustees have identified the unapplied total return at 31 December 2012 based on the difference between the net funds at that date less the initial capital of £582,769. Additions to the unapplied total return have been calculated for subsequent accounting periods based on the excess total return less grants and expenses, as set out in note 13 to the financial statements. An application of the unapplied total return has been made in the year to 31 December 2020, in respect of the shortfall of income of £8,680 arising for the year ended 31 December 2019. The Trustees concluded that it was not necessary to obtain advice regarding the use of power conferred on the Trustees by the Order.

Financial statements

Accounts are set out on pages 8 to 14. They have been drawn up in compliance with the relevant provisions of the Charities Act 2011 and with the Declaration of Trust.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 FREEMASONS' FUND FOR SURGICAL RESEARCH

TRUSTEES' ANNUAL REPORT

Year ended 31 December 2020

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the regulations made under the Charities Act 2011. 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.

On behalf of the Trustees

JUSTIN ASH



9 June

2021

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

INDEPENDENT EXAMINER'S REPORT

Year ended 31 December 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE FREEMASONS' FUND FOR SURGICAL RESEARCH

I report to the Trustees on my examination of the accounts of the Trust for the year ended 31 December 2020.

Responsibilities and basis of report

As the Charity Trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act'). You are satisfied that an audit is not required for this year under charity law and that an independent examination is needed.

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act. Dixon Wilson, a firm of Chartered Accountants of which I am a partner, has provided bookkeeping services to the Trust and I have applied the FRC's Revised Ethical Standard in carrying out my examination.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters than an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



GORDON SPINKS ACA
Dixon Wilson
22 Chancery Lane
London WC2A 1LS

17 June 2021

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2020

	Note	Unrestricted Funds £	Endowment Funds £	2020 Total £	Unrestricted Funds £	Endowment Funds £	2019 Total £
Income and expenditure							
Income and endowments from:							
Donations and legacies	4	-	312	312	-	150	150
Investments		163,943	-	163,943	215,159	-	215,159
Total		<u>163,943</u>	<u>312</u>	<u>164,255</u>	<u>215,159</u>	<u>150</u>	<u>215,309</u>
Expenditure on:							
Raising funds	5	-	24,160	24,160	-	24,519	24,519
Charitable activities	6	183,798	-	183,798	223,839	-	223,839
Total resources expended		<u>183,798</u>	<u>24,160</u>	<u>207,958</u>	<u>223,839</u>	<u>24,519</u>	<u>248,358</u>
Net outgoing resources before other recognised gains and losses		(19,855)	(23,848)	(43,703)	(8,680)	(24,369)	(33,049)
Other recognised (losses)/gains:							
Net investment (losses)/gains in year	9	-	(70,054)	(70,054)	-	758,060	758,060
Net movement in funds for the year		(19,855)	(93,902)	(113,757)	(8,680)	733,691	725,011
Transfer between funds	13	8,680	(8,680)	-	27,650	(27,650)	-
Total (deficit)/funds brought forward		(8,680)	7,155,126	7,146,446	(27,650)	6,449,085	6,421,435
Total (deficit)/funds carried forward (page 9)		<u>(19,855)</u>	<u>7,052,544</u>	<u>7,032,689</u>	<u>(8,680)</u>	<u>7,155,126</u>	<u>7,146,446</u>

All amounts are in respect of continuing operations.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

B A L A N C E S H E E T

At 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments at market value	9	<u>7,101,893</u>	<u>7,200,442</u>
Current assets			
Debtors	10	2,191	8,947
Cash		27,827	56,474
		<u>30,018</u>	<u>65,421</u>
Creditors: amounts falling due within one year	11	<u>(99,222)</u>	<u>(119,417)</u>
Net current liabilities		<u>(69,204)</u>	<u>(53,996)</u>
Total net assets	13	<u>7,032,689</u>	<u>7,146,446</u>
Represented by:			
Capital funds – Endowment	14	7,052,544	7,155,126
Income funds – Unrestricted		(19,855)	(8,680)
		<u>7,032,689</u>	<u>7,146,446</u>

The financial statements on pages 8 to 14 were approved by the Trustees on 9 June 2021.

JUSTIN ASH
Trustee



THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. General information

The Charity is an unincorporated trust. The principal address of the Charity is 7 Hansard Place, Romsey, Hampshire SO51 0EL.

2. Accounting policies

Basis of accounting

The financial statements have been prepared 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) (effective October 2019) – (Charities SORP (FRS 102)).

The Freemasons' Fund for Surgical Research meets the definition of a public benefit entity under FRS 102.

Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

These financial statements have been prepared under the historical cost convention modified to include the revaluation of investments.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Income recognition

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

Donations are recognised once the Charity has entitlement to the donations, it is certain that the donations will be received, and the monetary value of the donations can be measured with sufficient reliability.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. For grants payable, this is the point at which the recipient is notified. All expenditure is accounted for on an accruals basis.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Cash balances held as part of a fixed asset investment portfolio are presented as part of fixed assets.

(continued)

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

2. Accounting policies (continued)

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Capital funds – Endowment

Incoming resources arising from Endowment funds are unrestricted unless otherwise specified by the donor.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities, or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

3. Staff numbers

The average number of persons employed by the charity during the year was 0 (2019 - 0).

4. Voluntary income	2020 £	2019 £
Other donations	312	150

5. Expenditure on raising funds	2020 £	2019 £
Investment management charges	24,160	24,519

6. Expenditure on charitable activities	Note	2020 £	2019 £
Grants to Royal College of Surgeons of England		180,000	220,000
Governance costs:			
Accountancy and independent examination	7	3,240	3,300
Bank charges		483	455
LEI provider fee		75	84
		<u>183,798</u>	<u>223,839</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7. Total resources expended has been stated after charging	2020	2019
	£	£
Accountancy	1,950	1,980
Independent examination	1,290	1,320
	<u>3,240</u>	<u>3,300</u>

8. Trustees

Trustees are not remunerated, and no expenses have been incurred.

9. Investments	2020	2019
	£	£
Quoted investments:		
Carrying value (market value) at beginning of year	6,923,863	6,409,791
Less: proceeds of disposals	(2,261,474)	(1,021,988)
Add: cost of additions	2,412,092	778,000
Net (loss)/gain for the year (page 8)	(70,054)	758,060
Carrying value (market value) at end of year	<u>7,004,427</u>	<u>6,923,863</u>
Cash	97,466	276,579
Total fixed asset investments (page 9)	<u>7,101,893</u>	<u>7,200,442</u>
Quoted investments at cost	<u>5,604,017</u>	<u>5,233,549</u>

10. Debtors	2020	2019
	£	£
Accrued income	<u>2,191</u>	<u>8,947</u>

11. Creditors: amounts falling due within one year

	2020	2019
	£	£
Grants payable	90,000	110,000
Accruals	9,222	9,417
	<u>99,222</u>	<u>119,417</u>

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

12. Financial assets and liabilities

The following are financial assets that qualify as basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value through income and expenditure:

	2020 £	2019 £
Financial assets		
Investments	<u>7,004,427</u>	<u>6,923,863</u>

13. Analysis of net assets between funds

	Fixed assets £	Net current assets £	Total £
Unrestricted funds	-	(19,855)	(19,855)
Endowment funds	7,101,893	(49,349)	7,052,544
Total at 31 December 2020	<u>7,101,893</u>	<u>(69,204)</u>	<u>7,032,689</u>

At 31 December 2012, the Trustees identified that the Trust had funds of £2,742,349 representing unapplied total return, calculated as the total net assets of £3,325,118 at that date, less the initial capital of £582,769. Since that date, the following movements have taken place:

	2020 £	2019 £
At 1 January	4,059,174	3,353,283
(Decrease)/increase in unapplied total return	(70,054)	758,060
Investment management fees	(24,160)	(24,519)
Allocated to trust for application (page 8)	(8,680)	(27,650)
At 31 December	<u>3,956,280</u>	<u>4,059,174</u>

After the year-end the Trustees resolved to make a transfer of £19,855 from Endowment funds to Unrestricted funds as permitted under the constitution of the Fund.

THE FREEMASONS' FUND FOR SURGICAL RESEARCH

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

14. Capital funds – Endowment

Capital funds which at 31 December 2020 amounted to £7,052,544 arise from contributions received as follows from the Supreme Grand Chapter:

Prior to 31 December 1969	£582,769
During the year ended 31 December 2014	£2,424,900
During the year ended 31 December 2016	£35,000
During the year ended 31 December 2017	£22,000
During the year ended 31 December 2018	£27,733

In light of the capital contribution from the Supreme Grand Chapter in May 2014 and the value of the Fund immediately prior to its receipt, it was resolved by the Trustees that future Freemasons' Fellowships, tenable at The Royal College of Surgeons, shall henceforth be attributed to the United Grand Lodge of England and to the Supreme Grand Chapter in the proportion of 3:2 with effect from 1 January 2015. Of the four Fellowships funded in the year ended 31 December 2020, two were attributed to the United Grand Lodge of England. The position since 1 January 2015 is as follows:

Year	Proportion	United Grand Lodge	Supreme Grand Chapter	Total
2015	2:2	2	2	4
2016	3:1	3	1	4
2017	3:2	3	2	5
2018	2:2	2	2	4
2019	2:2	2	2	4
2020	2:2	2	2	4

15. Related party transactions

There have been no related party transactions in the year.
