

THE GRAND CHARITY

England & Wales · Charity number 281942

Details

Other names	THE FREEMASONS GRAND CHARITY
Status	Registered
Legal form	Trust
Registered	1981-02-18
Register	View on the Charity Commission register

Contact

Address	Freemasons Hall 60 Great Queen Street London WC2B 5AZ
Phone	02031463333
Email	info@mcf.org.uk
Website	www.mcf.org.uk

Activities

Objects: SUCH CHARITABLE INSTITUTIONS OBJECTS OR PURPOSES AS THE COUNCIL SHALL AT ITS ABSOLUTE DISCRETION DETERMINE.

Activities: THE FREEMASONS' GRAND CHARITY IS THE CENTRAL GRANT-GIVING CHARITY OF ALL ENGLISH CONSTITUTION FREEMASONS. ITS OBJECTS ARE VERY BROAD AND GIVE DISCRETION TO THE COUNCIL TO DETERMINE CHARITABLE POLICIES. THE TWO PRIMARY ACTIVITIES ARE 1. GRANTS: FOR MASONS OR THEIR DEPENDANTS; OTHER MASONIC CHARITIES & NON-MASONIC CHARITIES. 2. MANAGING THE RELIEF CHEST SCHEME.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£15,974,000	£14,846,000	£20,942,000	0
2024-03-31	£15,245,000	£16,743,000	£19,814,000	0
2023-03-31	£13,926,000	£15,400,000	£21,312,000	0
2022-03-31	£10,567,000	£9,577,000	£22,786,000	0
2021-03-31	£8,474,000	£9,749,000	£21,796,000	0

Trustees

Name	Role	Appointed
Masonic Charitable Foundation		2016-04-01

THE GRAND CHARITY

England & Wales - Charity number 281942

Accounts

THE GRAND CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Charity Number: 281942

THE GRAND CHARITY

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THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

The Trustee is pleased to submit its report for the year ended 31st March 2025.

Reference and Administrative Information

Name and Registered Office

The name of the charity is The Grand Charity (the "Charity") and it has its registered office at 60 Great Queen Street, London, WC2B 5AZ.

Trustees

The Trustee who served during the year were:

- The Masonic Charitable Foundation ("MCF") (Corporate Trustee, Registered Charity No. 1164703, Company Number 09751836)

The trustees of the MCF who served during the year were:

- Clive Emerson (Treasurer)
- Dr Simon Fellerman
- Edward Goodchild (Deputy President)
- Alan Graham, MBE
- Christopher Head (Resigned 1st August 2024)
- David Hudd (Appointed 29th May 2024)
- James Long, TD (President and Chairman)
- Charlotte Miller (Resigned 13th June 2024)
- Stephen Robinson
- Marie Shenton
- David Southern (Resigned 30th June 2024)
- David Stockdale (Appointed 22nd May 2024)
- Bruce Walker
- Sir Paul Williams, OBE, KStJ, DL (Resigned 26th April 2024)
- Howard Wilson

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Executive

The Executive during the year to 31st March 2025 were:

- Les Hutchinson, Chief Executive
- Charles Angus, Group Finance Director
- Brenda Nurse, Company Secretary

Auditor

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London, EC3A 2AD

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

Investment Managers

Royal London Asset Management, 55 Gracechurch Street, London EC3V 0RL

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

Structure, Governance and Management

Organisation

The Charity was established by trust deed on 16th April 1980 by the United Grand Lodge of England, which provided initial funding from the Grand Lodge's Fund of Benevolence. At a meeting held on 9th September 2015, the trustees approved a deed of amendment and reinstatement and an amended trust deed altering the constitutional and governance arrangements of the charity to reflect changes in trustees and membership with effect from 1st April 2016.

The unrestricted assets and liabilities from the Charity, together with the assets and liabilities of the Transferred Beneficiaries Fund, were transferred to a fellow subsidiary company of the same name (charity number 1170335 and company number 01487345; hereafter "TGC Company") with effect from 1st February 2017 following a resolution from the trustees made on 15 December 2016. The restricted Relief Chest Fund remains in the unincorporated trust.

As the sole trustee, the MCF exercises control over the Charity, and will consolidate the Charity's results in its group accounts. Details of the processes for the appointment, induction and training of the MCF's trustees are given in the annual report and accounts of that company.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Governance and Management

All governance and management capabilities are provided by the MCF and details of the relevant committees and processes are provided in the annual report and accounts of that company. Trustees and committees of the MCF address the specific needs of the Charity as part of their roles and responsibilities for the MCF. The trustee board and the main committees meet as follows:

Board/Committee	Purpose	Meetings per year
Trustee Board	Main decision-making body with ultimate responsibility for the Charity	4
Audit and Risk	Identification and mitigation of risk, oversight of external audit	4
Charity Grants	Consideration of applications for grants from organisations recognised by the Charity Commission	4
Finance	Ensuring adequate procedures are in place to manage all aspects of financial planning, controlling and reporting.	4
Fundraising	Supporting the masonic community's fund raising activities to support the Charity	4
Investments	Maintaining investment strategies to meet the requirements of the Charity, appointment and monitoring of fund managers	4
Masonic Support	Consideration of applications from individuals connected with the masonic community for financial relief	4
Remuneration	Determination of executive and staff pay & benefits	2
Strategy	Development and implementation of strategies to support the Charity's objectives. In addition, the trustees hold an annual strategic 'away day'.	4

The Charity does not employ any staff, with services being provided by staff employed by the MCF.

Objectives and Activities

Objectives

The Charity is the central grant-making charity of all Freemasons under the English Constitution. The objects of the Charity, as expressed in the trust deed, are very broad and before the amendments approved at the annual general meeting in September 2015, gave discretion to the trustees to support charitable purposes as recognised under UK Law. As a result of the amendments, that discretion has now passed to the Trustee.

The Trustee has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and has ensured that its grant-making policies and activities comply with the requirements

Activities

Following the transfer of grant making activities to TGC Company in 2017, the sole activity of the Charity is now to provide administrative services to the Masonic community as laid out overleaf:

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Activities (Continued)

1. Relief Chest Scheme

The Relief Chest Scheme (RCS), introduced in 1986, offers individual relief chests to lodges, chapters, provinces and other recognised Masonic organisations, which are used to generate funds for all types of charitable purposes. These funds are held by The Grand Charity unincorporated trust in a restricted fund. A donation is made from a relief chest to a charity, an organisation recognised as charitable, or for an individual in distress only at the request of the relief chest holder.

The RCS provides vital support to provinces in festival and other appeals, enabling them to reach their fundraising targets efficiently. It also ensures that all statutory compliance and administration requirements, for example, of the Charity Commission, Information Commissioner's Office and HMRC have been met.

Investment in infrastructure and latest technology ensures that the RCS delivers a risk management framework in a cost-efficient manner.

In 2018, RCS launched donor advised funds for individuals. The Individual Relief Chest Scheme (IRCs) programme was released in beta version. It is now open to all Freemasons, their families and friends. These funds are held by the Masonic Charitable Foundation in a restricted fund.

All services of the RCS are provided free, no administration fee is charged to the chest holder.

The services of the RCS, which assist donors to give to both Masonic and non-Masonic charitable activities efficiently, contribute to the public benefit by creating value for other charities and extending the Scheme's positive impact.

The Charity is transforming Masonic charitable giving to make the process easy and to help give substantial donations each year to charitable causes.

The Charity is committed to helping Freemasons to make a difference to the world in which they live and to inspire greater generosity from this community, by offering practical tailored support through its wealth of resources and tools.

2. Maintaining and supporting the Honorifics Evaluation IT system (HONE)

RCS designed and developed an application to manage the honorific programme for the Masonic Charitable Foundation. This IT system is maintained and supported by RCS.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Achievements and Performance

During the year, activity in the RCS included:

	2025	2024
• Number of Relief Chests	5,238	5,148
• Average number of monthly donations into the Scheme	48,628	45,973
• Percentage of donations eligible for Gift Aid	93.3%	90.7%
• Average number of monthly payments from the Scheme	762	532
• Number of new Relief Chests opened	203	205

Relief Chest holders utilised the Scheme by requesting charitable donations as follows.

	2025	2024
	£000	£000
Masonic Charitable Foundation	9,801	11,327
Other charitable purposes	<u>5,045</u>	<u>5,416</u>
Total	<u>14,846</u>	<u>16,743</u>

The following achievements during the year have enhanced the support and services that the Relief Chest provides, therefore contributing towards the strategic objectives of the Charity:

- Progressing the new seven-year strategy for the Relief Chest to promote engagement and increase use by donors and potential donors.
- Engaging in a programme of community engagement with a further five provinces visited during the year and holding an open week for London lodges in July 2024.
- Implementation of new in-house e-voucher system with a £18k saving on annual external support costs.
- Rolling out the new Relief Chest Online service that allows relief chest holders to access securely their accounts online for enquiries and reporting, and to add second officers to the account. By the end of the year, 56% of Relief Chest holders had registered for the service. The number of active users had increased to 687 by the end of the year (2024: 663).
- Increasing the proportion of donations received electronically from 12% in 2024 to 18% by the end of the year.
- Extending “continuous giving” between festivals with 13 provinces signed up (2024: 8) and 4,053 direct debits in operation (2024: 2,808). This will give the provinces concerned a “flying start” for when their next festivals are launched.
- Elimination of paper records held off-site and proper management of electronic records including destruction at the appropriate times.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Financial Review

Review of the Year

Incoming donations of £14.92 M were 4% higher than prior year. Investment income of £1.06 M was 18% higher than prior year as a result of higher amounts on deposit.

Expenditure of £14.85 M was 11% lower due to the initiative to resolve dormant chests in the prior year. Masonic grants of £9.80 M were 13% lower than prior year, whilst charity grants of £5.05 M were 7% lower. The net inflow was £1.13 M against a prior year outflow of £1.50 M.

Reserves Policy

Following the transfer of accumulated unrestricted reserves to TGC Company, the Charity has become solely the mechanism for continued operation of the Relief Chest. The policy is to transfer any ongoing residual income from donations and legacies directly to the MCF immediately following receipt.

Investment Policy and Performance

The aim is to maintain the capital and generate a reasonable level of income by utilising the services of Royal London Asset Management Ltd (RLAM), a qualified asset management firm regulated by the Financial Conduct Authority that provides investment capabilities across a range of asset classes. The position on risk is to consider only low risk investments such as treasury bills, deposits with approved banks, certificates of deposit by approved banks and other cash related products.

The Royal London Short Term Money Market Fund has been used for investing cash that is surplus to immediate operational requirements. The Short-Term Money Market Fund can only invest in money market instruments, covered bonds, corporate bonds (minimum credit rating of AA-) and Gilts/Supranational, and is rated by Fitch as an AAA money market fund. For the year ended 31 March 2024, the investment return on the cash was 5.2% after fees. This compares to a benchmark return of 4.9% (SONIA).

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Principal Risks and Mitigation

The principal risks identified and agreed actions to mitigate are shown in the following table:

Risk	Consequence	Mitigation
Significant unexpected financial loss from operations	Reputational damage, loss of confidence with key stakeholders and impact upon continuing financial sustainability	Strong financial procedures, particularly budgetary planning and control. Oversight from the Finance Committee.
Inadequate liquidity to meet financial commitments	Poor service to beneficiaries and reputational damage. Withdrawal of key services from suppliers	Cash flow forecasting and liquidity planning within the Investment Strategy
Significant long-term loss in the value of the investment portfolio	Impacts financial sustainability and reputational damage with donors	Appointment of Asset Risk Consultants as expert investment advisors, providing monthly performance reporting and analysis. Oversight from investment and property committees.
Grants made outside the Charity's Objects and operating guidelines	Reputational damage, loss of confidence with key stakeholders and potential trustee liability	Strong procedures and controls for processing grants. Oversight from Masonic Support and Charity Grants committees
Cyberattack on IT systems	Operational disruption resulting in financial, reputational, legal and regulatory damage.	UGLE manage and monitor networks, servers and backup systems, and has deployed appropriate defence mechanisms e.g. firewalls, antivirus etc. Third party hosted systems /applications have relevant controls and security regimes. Information systems are only accessed via the VPN network and/or multi-factor authentication protocols. MCF's Information Security Group (ISG) have various digital & IT procedures and policies in place. Cyber awareness and training programme mandatory for all staff.
Data protection breach	Reputational damage and significant financial penalties	Data protection policy, IT security and HR policies in place
Fraud	Financial loss, reputational damage, adverse impact upon staff	Financial procedures, segregation of duties, authority limits, IT security, increased awareness amongst staff
Unavailability of office accommodation	Operations compromised	MCF Business Continuity Plan
Loss of paper records from fire/flooding	Breach of legal obligations, adverse impact upon operations, potential financial penalties	Reduced reliance on paper records with increased use of IT.
Lack of compliance with employment legislation	Breach of legal obligations, potential financial penalties, breakdown of staff morale and adverse impact upon service provision	HR procedures and staff handbook. Induction processes for new staff. Ongoing management training and Personal Development Review
Undue reliance on key persons	Operational breakdown, adverse impact upon staff morale, poor service to beneficiaries and potential reputational damage	HR procedures: organisational and succession planning. Comprehensive documentation of procedures and controls

Risks are actively monitored by the Executive and the senior leadership team, and formally reviewed by the audit and risk committee at their quarterly meetings.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Plans for Future Periods

The Charity will continue to operate the Relief Chest Scheme as described in page 6 of this report for the foreseeable future.

As part of the corporate plan 2024/25, RCS will:

- Roll out RCS on-line to the remaining users.
- Undertake a feasibility study to improve the efficiency of digital scanning and data capture.
- Promote further the use of QR codes to make donations and reduce the amount of gift aid envelopes for manual processing.

THE GRAND CHARITY

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Statement of Responsibilities

The Trustee is responsible for preparing the trustee's report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (U.K. "GAAP").

The law applicable to charities in England and Wales, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

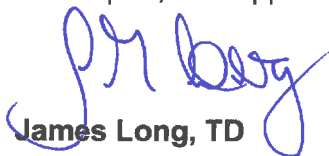
The Trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution proposing that Knox Cropper LLP be reappointed as auditor will be put to the members.

Approval by Trustee

This report, was approved by the Trustee on 11th September 2025 and signed on their behalf by



James Long, TD

President and Chairman, MCF

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

We have audited the financial statements of The Grand Charity (the "Charity") for the year ended 31 March 2025, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 March 2025 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 Charities Act 2011.

Basis of 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 Trustee 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 Trustee is responsible for the other information.

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustee's 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 Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 11, the Trustee is 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 Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for any restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for any restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 the audit report

This report is made solely to the Charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the Charity's trustee 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 trustee as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD

10 Nov 2025

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

THE GRAND CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2025

	Note	2025 £'000	2024 £'000
INCOME			
Donations and legacies	2	14,919	14,354
Investment income	3	1,055	891
Total income		15,974	15,245
EXPENDITURE			
Charitable activities			
Masonic grants	4	(9,801)	(11,327)
Non-Masonic grants	4	(5,045)	(5,416)
Total expenditure		(14,846)	(16,743)
NET MOVEMENT IN FUNDS		1,128	(1,498)
Total funds brought forward		19,814	21,312
Total funds carried forward		20,942	19,814

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

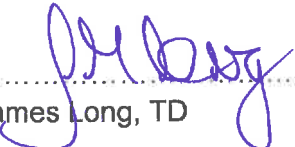
The notes on pages 18 to 22 form part of these financial statements.

THE GRAND CHARITY

BALANCE SHEET as at 31 MARCH 2025

	Note	March 2025 £'000	March 2024 £'000
CURRENT ASSETS			
Debtors	5	635	750
Short term deposits		15,972	17,972
Cash at bank and in hand		4,339	1,092
		<u>20,946</u>	<u>19,814</u>
CURRENT LIABILITIES			
Creditors falling due within one year	6	(4)	0
Total net assets		<u>20,942</u>	<u>19,814</u>
CHARITABLE FUNDS			
Restricted income funds			
Relief Chest		20,942	19,814
Total charitable funds		<u>20,942</u>	<u>19,814</u>

The financial statements were approved and authorised for issue by the Trustee Board on 11th September 2025 and signed on their behalf by:


James Long, TD
President and Chairman


Clive Emerson
Treasurer

The notes on pages 18 to 22 form part of these financial statements

THE GRAND CHARITY

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2025

2025	2024
£'000	£'000

Operating Activities

Net cash provided by/(used in) Operating Activities

A	192	(2,639)
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Cash flows from investing activities

Dividends and interest from investments

1,055	891
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Net cash provided by/(used in) Investing Activities

1,055	891
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Change in cash and cash equivalents in the reporting period

1,247	(1,748)
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Cash and cash equivalents at the beginning of the reporting period

19,064	20,812
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Cash and cash equivalents at the end of the reporting period

B	20,311	19,064
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Notes on the cash flow statement

A Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net movement in funds as per the Statement of Financial Activities

1,128	(1,498)
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Adjustments for:

Dividends, interest and rents from investments

(1,055)	(891)
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Decrease in debtors

115	(250)
-----	-------

Increase in creditors

4	0
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Net cash provided by/(used in) Operating Activities

192	(2,639)
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B Analysis of cash and cash equivalents

Short term deposits

15,972	17,972
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Cash at bank and in hand

4,339	1,092
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Total cash and cash equivalents

20,311	19,064
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THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of The Grand Charity (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 second edition) published in 2019 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustee has made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustee has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

- i. Monetary donations are brought into account when received.
- ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.

(e) Resources expended

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 any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Charitable activities are split between masonic activities and grants awarded to external institutions (designated as "non-Masonic" within the SOFA).

Masonic activities include the payment of grants directly to beneficiaries together with related welfare and support costs. Non-Masonic activities consist of the payment of grants to external institutions. Support costs are allocated to these activities on the bases laid out in note 4.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award.

The provision for multi-year grants is recognised at its present value when settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit it to avoid making future payments, settlement is probable and the effect of discounting is material. The discount rate used is the long-term return of inflation plus 4 percent used as the target for the Charity's investment portfolio.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

(f) Employee benefits

All staff are employed by the parent charity, The Masonic Charitable Foundation, and no recharges are made to the Charity. Information relating to those employees is given in the accounts of the Masonic Charitable Foundation.

(g) Fund accounting

Restricted funds are subject to specific conditions imposed by the donors and/or for the purposes for which they are raised.

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity.

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(i) Financial assets and liabilities

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(j) Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are discounted to present value where the effect is material.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

(k) **Foreign currencies**

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) **Taxation**

The Charity is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

2. **DONATIONS AND LEGACIES**

	2025	2024
	£'000	£'000
Donations to Relief Chest Fund	14,919	14,354
	<u>14,919</u>	<u>14,354</u>

3. **INVESTMENT INCOME**

	2025	2024
	£'000	£'000
Interest on bank deposits	1,055	891
	<u>1,055</u>	<u>891</u>

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

4. CHARITABLE ACTIVITIES	2025 £'000	2024 £'000
Masonic		
Relief Chest	9,801	11,327
	<u>9,801</u>	<u>11,327</u>
Non-Masonic		
Armed Forces	84	66
Arts, Culture & Sport	87	79
Disaster Relief	55	52
Education	470	366
Environment, Conservation and Heritage	126	22
Health and Disability	1,890	1,969
Hospices	244	336
Other Charitable Purposes	665	489
Rescue Services	1,094	1,945
Research	330	92
	<u>5,045</u>	<u>5,416</u>
5. DEBTORS	March 2025 £'000	March 2024 £'000
Prepayments and accrued income	635	750
	<u>635</u>	<u>750</u>
6. CREDITORS	March 2025 £'000	March 2024 £'000
Falling due within one year		
Accruals and deferred income	4	0
	<u>4</u>	<u>0</u>

7. RELATED PARTY TRANSACTIONS

Under the Relief Chest Scheme the Charity has made charitable donations to the MCF and other fellow subsidiaries on behalf of its holders as set out on page 7 of the trustees' report. The MCF has borne all the administrative costs of supporting the Charity.

8. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Masonic Charitable Foundation (Registered Charity No. 1164703, Company Number 09751836). Consolidated accounts for the MCF, which include the accounts of the Charity, can be obtained from the registered office of the Charity.



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Parties involved with this document

Document processed	Party + Fingerprint
Mon, 10th Nov 2025 14:50:30 GMT	Stephen Anderson - Signer (6a58d1931184f498eb03d4ff788a72cb)

Audit history log

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THE GRAND CHARITY

England & Wales - Charity number 281942

Accounts

THE GRAND CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Charity Number: 281942

THE GRAND CHARITY

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THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

The Trustee is pleased to submit its report for the year ended 31st March 2024.

Reference and Administrative Information

Name and Registered Office

The name of the charity is The Grand Charity (the "Charity") and it has its registered office at 60 Great Queen Street, London, WC2B 5AZ.

Trustees

The Trustee who served during the year were:

- The Masonic Charitable Foundation ("MCF") (Corporate Trustee, Registered Charity No. 1164703, Company Number 09751836)

The trustees of the MCF who served during the year were:

- John Boyington, CBE (Resigned 31st July 2023)
- Sinead Brophy (Resigned 31st July 2023)
- Simon Duckworth, OBE, DL (Resigned 31st July 2023)
- Clive Emerson (Appointed Treasurer 1st August 2023)
- Dr Simon Fellerman
- Edward Goodchild (Appointed 1st August 2023)
- Alan Graham, MBE
- Antony Harvey (Resigned 31st July 2023)
- Christopher Head
- Michael Heenan (Treasurer) (Resigned 31st July 2023)
- James Long, TD (President) (Appointed Chairman 1st January 2024)
- Charlotte Miller (Appointed co-optee 1st August 2023)
- Stephen Robinson
- Marie Shenton (Appointed 1st August 2023)
- David Southern
- Bruce Walker
- Andrew Wauchope (Resigned 31st July 2023)
- Sir Paul Williams, OBE, KStJ, DL (Deputy President and Chairman to 31st December 2023)
- Howard Wilson

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Executive

The Executive during the year to 31st March 2024 were:

- Les Hutchinson, Chief Executive
- Charles Angus, Group Finance Director
- Brenda Nurse, Company Secretary

Auditor

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London, EC3A 2AD

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

Investment Managers

Royal London Asset Management, 55 Gracechurch Street, London EC3V 0RL

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

Structure, Governance and Management

Organisation

The Charity was established by trust deed on 16th April 1980 by the United Grand Lodge of England, which provided initial funding from the Grand Lodge's Fund of Benevolence. At a meeting held on 9th September 2015, the trustees approved a deed of amendment and reinstatement and an amended trust deed altering the constitutional and governance arrangements of the charity to reflect changes in trustees and membership with effect from 1st April 2016.

The unrestricted assets and liabilities from the Charity, together with the assets and liabilities of the Transferred Beneficiaries Fund, were transferred to a fellow subsidiary company of the same name (charity number 1170335 and company number 01487345; hereafter "TGC Company") with effect from 1st February 2017 following a resolution from the trustees made on 15 December 2016. The restricted Relief Chest Fund remains in the unincorporated trust.

As the sole trustee, the MCF exercises control over the Charity, and will consolidate the Charity's results in its group accounts. Details of the processes for the appointment, induction and training of the MCF's trustees are given in the annual report and accounts of that company.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Governance and Management

All governance and management capabilities are provided by the MCF and details of the relevant committees and processes are provided in the annual report and accounts of that company. Trustees and committees of the MCF address the specific needs of the Charity as part of their roles and responsibilities for the MCF. The trustee board and the main committees meet as follows:

Board/Committee	Purpose	Meetings per year
Trustee Board	Main decision-making body with ultimate responsibility for the Charity	4
Audit and Risk	Identification and mitigation of risk, oversight of external audit	4
Charity Grants	Consideration of applications for grants from organisations recognised by the Charity Commission	4
Finance	Ensuring adequate procedures are in place to manage all aspects of financial planning, controlling and reporting.	4
Fundraising	Supporting the masonic community's fund raising activities to support the Charity	4
Investments	Maintaining investment strategies to meet the requirements of the Charity, appointment and monitoring of fund managers	4
Masonic Support	Consideration of applications from individuals connected with the masonic community for financial relief	4
Remuneration	Determination of executive and staff pay & benefits	2
Strategy	Development and implementation of strategies to support the Charity's objectives. In addition, the trustees hold an annual strategic 'away day'.	4

The Charity does not employ any staff, with services being provided by staff employed by the MCF.

Objectives and Activities

Objectives

The Charity is the central grant-making charity of all Freemasons under the English Constitution. The objects of the Charity, as expressed in the trust deed, are very broad and before the amendments approved at the annual general meeting in September 2015, gave discretion to the trustees to support charitable purposes as recognised under UK Law. As a result of the amendments, that discretion has now passed to the Trustee.

The Trustee has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and has ensured that its grant-making policies and activities comply with the requirements

Activities

Following the transfer of grant making activities to TGC Company in 2017, the sole activity of the Charity is now to provide administrative services to the Masonic community as laid out overleaf:

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Activities (Continued)

1. Relief Chest Scheme

The Relief Chest Scheme (RCS), introduced in 1986, offers individual relief chests to lodges, chapters, provinces and other recognised Masonic organisations, which are used to generate funds for all types of charitable purposes. These funds are held by The Grand Charity unincorporated trust in a restricted fund. A donation is made from a relief chest to a charity, an organisation recognised as charitable, or for an individual in distress only at the request of the relief chest holder.

The RCS provides vital support to provinces in festival and other appeals, enabling them to reach their fundraising targets efficiently. It also ensures that all statutory compliance and administration requirements, for example, of the Charity Commission, Information Commissioner's Office and HMRC have been met.

Investment in infrastructure and latest technology ensures that the RCS delivers a risk management framework in a cost efficient manner.

In 2018, RCS launched donor advised funds for individuals. The Individual Relief Chest Scheme (IRCs) programme was released in beta version. It is now open to all Freemasons, their families and friends. These funds are held by the Masonic Charitable Foundation in a restricted fund.

All services of the RCS are provided free, no administration fee is charged to the chest holder.

The services of the RCS, which assist donors to give to both Masonic and non-Masonic charitable activities efficiently, contribute to the public benefit by creating value for other charities and extending the Scheme's positive impact.

The Charity is transforming Masonic charitable giving to make the process easy and to help give substantial donations each year to charitable causes.

The Charity is committed to helping Freemasons to make a difference to the world in which they live and to inspire greater generosity from this community, by offering practical tailored support through its wealth of resources and tools.

2. Maintaining and supporting the Honorifics Evaluation IT system (HONE)

RCS designed and developed an application to manage the honorific programme for the Masonic Charitable Foundation. This IT system is maintained and supported by RCS.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Achievements and Performance

During the year, activity in the RCS included:

	2024	2023
• Number of Relief Chests	5,148	5,110
• Average number of monthly donations into the Scheme	45,973	50,642
• Average number of monthly tax reclaims	41,698	38,784
• Average number of monthly payments from the Scheme	532	416
• Number of new Relief Chests opened	205	204

Relief Chest holders utilised the Scheme by requesting charitable donations as follows.

	2024	2023
	£000	£000
Masonic Charitable Foundation	11,141	11,625
The Grand Charity (General Fund)	5	17
The Royal Masonic Trust for Girls and Boys	45	72
The Royal Masonic Benevolent Institution	121	198
Masonic Samaritan Fund	15	18

Other charitable purposes	5,416	3,470
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Total	16,743	15,400
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The following achievements during the year have enhanced the support and services that the Relief Chest provides, therefore contributing towards the strategic objectives of the Charity:

- Implementing the new seven-year strategy for the Relief Chest to promote engagement and increase use by donors and potential donors.
- Engaging in a programme of community engagement with eight provinces visited during the year and holding an open week for London lodges in July 2023.
- Rolling out the new Relief Chest Online service that allows relief chest holders to access securely their accounts online for enquiries and reporting, and to add second officers to the account. By the end of the year, 51% of Relief Chest holders had registered for the service. The number of active users had increased to 663 by the end of the year (2023: 108).
- Increasing the proportion of donations received electronically from 10% in April 2023 to 17% by the end of the year.
- Increasing the proportion of charitable donations paid through the e-voucher system to 66% from 53% in the prior year.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Achievements and Performance (continued)

- Reducing dormant Relief Chests to 117 at the end of the year, holding funds of less than £0.2 M.
- Promoting “continuous giving” between festivals with eight provinces signed up and 2,808 direct debits processed. This will give the provinces concerned a “flying start” for when their next festivals are launched.
- A new document management strategy was implemented allowing for the elimination of paper records held off-site and the proper management of electronic records including destruction at the appropriate times.

Financial Review

Review of the Year

Incoming donations of £14.35 M were 5% higher than prior year. Investment income of £0.89 M was 188% higher than prior year as a result of significantly higher interest rates.

Expenditure of £16.74 M was 9% higher. Masonic grants of £11.33 M were 5% lower than prior year, whilst charity grants of £5.42 M were 56% higher. The net outflow was £1.50 M against a prior year outflow of £1.47 M.

Reserves Policy

Following the transfer of accumulated unrestricted reserves to TGC Company, the Charity has become solely the mechanism for continued operation of the Relief Chest. The policy is to transfer any ongoing residual income from donations and legacies directly to the MCF immediately following receipt.

Investment Policy and Performance

The aim is to maintain the capital and generate a reasonable level of income by utilising the services of Royal London Asset Management Ltd (RLAM), a qualified asset management firm regulated by the Financial Conduct Authority that provides investment capabilities across a range of asset classes. The position on risk is to consider only low risk investments such as treasury bills, deposits with approved banks, certificates of deposit by approved banks and other cash related products.

The Royal London Short Term Money Market Fund has been used for investing cash that is surplus to immediate operational requirements. The Short Term Money Market Fund can only invest in money market instruments, covered bonds, corporate bonds (minimum credit rating of AA-) and Gilts/Supranational, and is rated by Fitch as an AAA money market fund. For the year ended 31 March 2024, the investment return on the cash was 5.3% after fees. This compares to a benchmark return of 5.0% (SONIA).

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Principal Risks and Mitigation

The principal risks identified and agreed actions to mitigate are shown in the following table:

Risk	Consequence	Mitigation
Significant unexpected financial loss from operations	Reputational damage, loss of confidence with key stakeholders and impact upon continuing financial sustainability	Strong financial procedures, particularly budgetary planning and control. Oversight from the Finance Committee.
Inadequate liquidity to meet financial commitments	Poor service to beneficiaries and reputational damage. Withdrawal of key services from suppliers	Cash flow forecasting and liquidity planning within the Investment Strategy
Significant long-term loss in the value of the investment portfolio	Impacts financial sustainability and reputational damage with donors	Appointment of Asset Risk Consultants as expert investment advisors, providing monthly performance reporting and analysis. Oversight from investment and property committees.
Grants made outside the Charity's Objects and operating guidelines	Reputational damage, loss of confidence with key stakeholders and potential trustee liability	Strong procedures and controls for processing grants. Oversight from Masonic Support and Charity Grants committees
Cyberattack on IT systems	Operational disruption resulting in financial, reputational, legal and regulatory damage.	UGLE manage and monitor networks, servers and backup systems, and has deployed appropriate defence mechanisms e.g. firewalls, antivirus etc. Third party hosted systems /applications have relevant controls and security regimes. Information systems are only accessed via the VPN network and/or multi-factor authentication protocols. MCF's Information Security Group (ISG) have various digital & IT procedures and policies in place. Cyber awareness and training programme mandatory for all staff.
Data protection breach	Reputational damage and significant financial penalties	Data protection policy, IT security and HR policies in place
Fraud	Financial loss, reputational damage, adverse impact upon staff	Financial procedures, segregation of duties, authority limits, IT security, increased awareness amongst staff
Unavailability of office accommodation	Operations compromised	MCF Business Continuity Plan
Loss of paper records from fire/flooding	Breach of legal obligations, adverse impact upon operations, potential financial penalties	Reduced reliance on paper records with increased use of IT.
Lack of compliance with employment legislation	Breach of legal obligations, potential financial penalties, breakdown of staff morale and adverse impact upon service provision	HR procedures and staff handbook. Induction processes for new staff. Ongoing management training and Personal Development Review
Undue reliance on key persons	Operational breakdown, adverse impact upon staff morale, poor service to beneficiaries and potential reputational damage	HR procedures: organisational and succession planning. Comprehensive documentation of procedures and controls

Risks are actively monitored by the Executive and the senior leadership team, and formally reviewed by the audit and risk committee at their quarterly meetings.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Plans for Future Periods

The Charity will continue to operate the Relief Chest Scheme as described in page 6 of this report for the foreseeable future.

As part of the corporate plan 2024/25, RCS will:

- Roll out RCS on-line to the remaining users.
- Undertake a feasibility study to improve the efficiency of digital scanning and data capture.
- Promote further the use of QR codes to make donations and reduce the amount of gift aid envelopes for manual processing.

THE GRAND CHARITY

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Statement of Responsibilities

The Trustee is responsible for preparing the trustee's report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (U.K. "GAAP").

The law applicable to charities in England and Wales, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

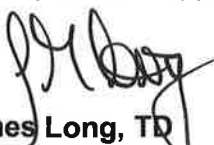
The Trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution proposing that Knox Cropper LLP be reappointed as auditor will be put to the members.

Approval by Trustee

This report, was approved by the Trustee on 12th September 2024 and signed on their behalf by


James Long, TD

President and Chairman, MCF

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

We have audited the financial statements of The Grand Charity (the "Charity") for the year ended 31 March 2024, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 March 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 Charities Act 2011.

Basis of 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 Trustee 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 Trustee is responsible for the other information.

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustee's 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 Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 11, the Trustee is 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 Trustee determines 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 Trustee is 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 Trustee either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for any restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for any restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 the audit report

This report is made solely to the Charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the Charity's trustee 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 trustee as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD
12th September 2024

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

THE GRAND CHARITY

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2024

	Note	2024 £'000	2023 £'000
INCOME			
Donations and legacies	2	14,354	13,617
Investment income	3	891	309
Total income		15,245	13,926
EXPENDITURE			
Charitable activities			
Masonic grants	4	(11,327)	(11,930)
Non-Masonic grants	4	(5,416)	(3,470)
Total expenditure		(16,743)	(15,400)
NET MOVEMENT IN FUNDS		(1,498)	(1,474)
Total funds brought forward		21,312	22,786
Total funds carried forward		19,814	21,312

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

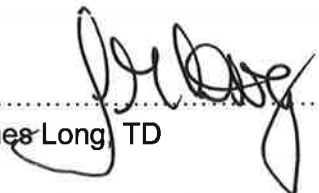
The notes on pages 18 to 22 form part of these financial statements.

THE GRAND CHARITY

BALANCE SHEET as at 31 MARCH 2024

	Note	March 2024 £'000	March 2023 £'000
CURRENT ASSETS			
Debtors	5	750	500
Short term deposits		17,972	19,222
Cash at bank and in hand		1,092	1,590
		<u>19,814</u>	<u>21,312</u>
CURRENT LIABILITIES			
Creditors falling due within one year		0	0
Total net assets		<u>19,814</u>	<u>21,312</u>
CHARITABLE FUNDS			
Restricted income funds			
Relief Chest		19,814	21,312
Total charitable funds		<u>19,814</u>	<u>21,312</u>

The financial statements were approved and authorised for issue by the Trustee Board on 12th September 2024 and signed on their behalf by:


James Long TD

President and Chairman


Clive Emerson

Treasurer

The notes on pages 18 to 22 form part of these financial statements

THE GRAND CHARITY

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2024

2024	2023
£'000	£'000

Operating Activities

Net cash provided by/(used in) Operating Activities

A	(2,639)	(1,961)
---	---------	---------

Cash flows from investing activities

Dividends and interest from investments

891	309
-----	-----

Net cash provided by/(used in) Investing Activities

891	309
-----	-----

Change in cash and cash equivalents in the reporting period

(1,748)	(1,652)
---------	---------

Cash and cash equivalents at the beginning of the reporting period

20,812	22,464
--------	--------

Cash and cash equivalents at the end of the reporting period

B	19,064	20,812
---	--------	--------

Notes on the cash flow statement

Reconciliation of net income/(expenditure) to net

cash flow from operating activities

Net movement in funds as per the Statement of Financial Activities

(1,498)	(1,474)
---------	---------

Adjustments for:

Dividends, interest and rents from investments

(891)	(309)
-------	-------

(Increase) in debtors

(250)	(174)
-------	-------

(Decrease) in creditors

0	(4)
---	-----

Net cash provided by/(used in) Operating Activities

(2,639)	(1,961)
---------	---------

Analysis of cash and cash equivalents

Short term deposits

17,972	19,222
--------	--------

Cash at bank and in hand

1,092	1,590
-------	-------

Total cash and cash equivalents

19,064	20,812
--------	--------

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of The Grand Charity (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 second edition) published in 2019 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The Trustee has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustee has made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Trustee has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

- i. Monetary donations are brought into account when received.
- ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.

(e) Resources expended

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 any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Charitable activities are split between masonic activities and grants awarded to external institutions (designated as "non-Masonic" within the SOFA).

Masonic activities include the payment of grants directly to beneficiaries together with related welfare and support costs. Non-Masonic activities consist of the payment of grants to external institutions. Support costs are allocated to these activities on the bases laid out in note 4.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award.

The provision for multi-year grants is recognised at its present value when settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit it to avoid making future payments, settlement is probable and the effect of discounting is material. The discount rate used is the long-term return of inflation plus 4 percent used as the target for the Charity's investment portfolio.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

(f) Employee benefits

All staff are employed by the parent charity, The Masonic Charitable Foundation, and no recharges are made to the Charity. Information relating to those employees is given in the accounts of the Masonic Charitable Foundation.

(g) Fund accounting

Restricted funds are subject to specific conditions imposed by the donors and/or for the purposes for which they are raised.

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity.

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(i) Financial assets and liabilities

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(j) Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are discounted to present value where the effect is material.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

(k) **Foreign currencies**

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) **Taxation**

The Charity is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

2. **DONATIONS AND LEGACIES**

	2024	2023
	£'000	£'000
Donations to Relief Chest Fund	14,354	13,617
	<u>14,354</u>	<u>13,617</u>

3. **INVESTMENT INCOME**

	2024	2023
	£'000	£'000
Interest on bank deposits	891	309
	<u>891</u>	<u>309</u>

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

4. CHARITABLE ACTIVITIES	2024 £'000	2023 £'000
Masonic		
Relief Chest	11,327	11,930
	<u>11,327</u>	<u>11,930</u>
Non-Masonic		
Armed Forces	66	72
Arts, Culture & Sport	79	27
Disaster Relief	52	117
Education	366	303
Environment, Conservation and Heritage	22	20
Health and Disability	1,969	1,673
Hospices	336	217
Other Charitable Purposes	489	608
Rescue Services	1,945	351
Research	92	82
	<u>5,416</u>	<u>3,470</u>
5. DEBTORS	March 2024 £'000	March 2023 £'000
Prepayments and accrued income	750	500
	<u>750</u>	<u>500</u>

6. RELATED PARTY TRANSACTIONS

Under the Relief Chest Scheme the Charity has made charitable donations to the MCF and other fellow subsidiaries on behalf of its holders as set out on page 7 of the trustees' report. The MCF has borne all the administrative costs of supporting the Charity.

7. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Masonic Charitable Foundation (Registered Charity No. 1164703, Company Number 09751836). Consolidated accounts for the MCF, which include the accounts of the Charity, can be obtained from the registered office of the Charity.

THE GRAND CHARITY

England & Wales - Charity number 281942

Accounts

THE GRAND CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Charity Number: 281942

THE GRAND CHARITY

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THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

The trustee is pleased to submit its report for the year ended 31st March 2023.

Reference and Administrative Information

Name and Registered Office

The name of the charity is The Grand Charity (the "Charity") and it has its registered office at 60 Great Queen Street, London, WC2B 5AZ.

Trustees

The trustee who served during the year were:

- The Masonic Charitable Foundation ("MCF") (Corporate Trustee, Registered Charity No. 1164703, Company Number 09751836)

The trustees of the MCF who served during the year were:

- John Boyington, CBE
- Sinead Brophy
- Charles A.G. Cunnington (Resigned 1st August 2022)
- Simon D'O. Duckworth, OBE, DL
- Clive Emerson
- Dr Simon Fellerman
- Alan P. Graham, MBE
- Antony D.G. Harvey
- Christopher Head
- Michael R. Heenan (Treasurer)
- Richard M. Hone, QC (President) (Resigned 28th April 2022)
- James M. Long (President) (Appointed 28th April 2022)
- Stephen Robinson
- David Southern
- Nigel J. Vaughan (Resigned 1st August 2022)
- Andrew G. Wauchope
- Sir Paul Williams, OBE, KStJ, DL (Deputy President and Chairman)
- Howard G. Wilson
- Bruce G. Walker (Appointed 1 August 2022)

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Executive

The Executive during the year to 31st March 2023 were:

- Les Hutchinson, Chief Executive
- Charles Angus, Group Finance Director
- Brenda Nurse, Company Secretary

Auditor

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London, EC3A 2AD

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

Investment Managers

Royal London Asset Management, 55 Gracechurch Street, London EC3V 0RL

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

Structure, Governance and Management

Organisation

The Charity was established by trust deed on 16th April 1980 by the United Grand Lodge of England, which provided initial funding from the Grand Lodge's Fund of Benevolence. At a meeting held on 9th September 2015, the trustees approved a deed of amendment and reinstatement and an amended trust deed altering the constitutional and governance arrangements of the charity to reflect changes in trustees and membership with effect from 1st April 2016.

The unrestricted assets and liabilities from the Charity, together with the assets and liabilities of the Transferred Beneficiaries Fund, were transferred to a fellow subsidiary company of the same name (charity number 1170335 and company number 01487345; hereafter "TGC Company") with effect from 1st February 2017 following a resolution from the trustees made on 15 December 2016. The restricted Relief Chest Fund remains in the unincorporated trust.

As the sole trustee, the MCF exercises control over the Charity, and will consolidate the Charity's results in its group accounts. Details of the processes for the appointment, induction and training of the MCF's trustees are given in the annual report and accounts of that company.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Governance and Management

All governance and management capabilities are provided by the MCF and details of the relevant committees and processes are provided in the annual report and accounts of that company. Trustees and committees of the MCF address the specific needs of the Charity as part of their roles and responsibilities for the MCF. The trustee board and the main committees meet as follows:

Board/Committee	Purpose	Meetings per year
Trustee Board	Main decision-making body with ultimate responsibility for the Charity	4
Audit and Risk	Identification and mitigation of risk, oversight of external audit	4
Charity Grants	Consideration of applications for grants from organisations recognised by the Charity Commission	4
Finance	Ensuring adequate procedures are in place to manage all aspects of financial planning, controlling and reporting.	4
Fundraising	Supporting the masonic community's fund raising activities to support the Charity	4
Investments	Maintaining investment strategies to meet the requirements of the Charity, appointment and monitoring of fund managers	4
Masonic Support	Consideration of applications from individuals connected with the masonic community for financial relief	4
Remuneration	Determination of executive and staff pay & benefits	2
Strategy	Development and implementation of strategies to support the Charity's objectives. In addition, the trustees hold an annual strategic 'away day'.	4

The Charity does not employ any staff, with services being provided by staff employed by the MCF.

Objectives and Activities

Objectives

The Charity is the central grant-making charity of all Freemasons under the English Constitution. The objects of the Charity, as expressed in the trust deed, are very broad and before the amendments approved at the annual general meeting in September 2015, gave discretion to the trustees to support charitable purposes as recognised under UK Law. As a result of the amendments, that discretion has now passed to the Charity's sole corporate trustee.

The trustee has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and has ensured that its grant-making policies and activities comply with the requirements

Activities

Following the transfer of grant making activities to TGC Company in 2017, the sole activity of the Charity is now to provide administrative services to the Masonic community as laid out overleaf:

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Activities (Continued)

1. Relief Chest Scheme

The Relief Chest Scheme (RCS), introduced in 1986, offers individual relief chests to lodges, chapters, provinces and other recognised Masonic organisations, which are used to generate funds for all types of charitable purposes. These funds are held by The Grand Charity unincorporated trust in a restricted fund. A donation is made from a relief chest to a charity, an organisation recognised as charitable, or for an individual in distress only at the request of the relief chest holder.

The RCS provides vital support to provinces in festival and other appeals, enabling them to reach their fundraising targets efficiently. It also ensures that all statutory compliance and administration requirements, for example, of the Charity Commission, Information Commissioner's Office and HMRC have been met.

Investment in infrastructure and latest technology ensures that the RCS delivers a risk management framework in a cost efficient manner.

In 2018, RCS launched donor advised funds for individuals. The Individual Relief Chest Scheme (IRCs) programme was released in beta version. It is now open to all Freemasons, their families and friends. These funds are held by the Masonic Charitable Foundation in a restricted fund.

All services of the RCS are provided free, no administration fee is charged to the chest holder.

The services of the RCS, which assist donors to give to both Masonic and non-Masonic charitable activities efficiently, contribute to the public benefit by creating value for other charities and extending the Scheme's positive impact.

The Charity is transforming Masonic charitable giving to make the process easy and to help give substantial donations each year to charitable causes.

The Charity is committed to helping Freemasons to make a difference to the world in which they live and to inspire greater generosity from this community, by offering practical tailored support through its wealth of resources and tools.

2. Maintaining and supporting the Honorifics Evaluation IT system (HONE)

RCS designed and developed an application to manage the honorific programme for the Masonic Charitable Foundation. This IT system is maintained and supported by RCS.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Achievements and Performance

During the year, activity in the RCS included:

	2023	2022
• Number of Relief Chests	5,110	5,152
• Average number of monthly donations into the Scheme	50,642	37,884
• Average number of monthly tax reclaims	38,784	30,278
• Average number of monthly payments from the Scheme	416	308
• Number of new Relief Chests opened	204	144

Relief Chest holders utilised the Scheme by requesting charitable donations as follows.

	2023	2022
	£000	£000
Masonic Charitable Foundation	11,625	5,986
The Grand Charity (General Fund)	17	2
The Royal Masonic Trust for Girls and Boys	72	240
The Royal Masonic Benevolent Institution	198	400
Masonic Samaritan Fund	18	21
Other charitable purposes	<u>3,430</u>	<u>2,885</u>
Total	<u>15,360</u>	<u>9,534</u>

The following achievements during the year have enhanced the support and services that the Relief Chest provides, therefore contributing towards the strategic objectives of the Charity:

- Developing a new seven-year strategy for the Relief Chest to promote engagement and increase use by donors and potential donors.
- Developing and piloting a new Relief Chest Online service that will allow relief chest holders to access securely their accounts online for enquiries and reporting, and to add second officers to the account. There were 108 active users by the year end.
- Implementing a facility to capture and link bank account details of registered charities in the relief chest database to facilitate direct donations from relief chests.
- Updating ABBYY software and forms, Apex and File Director to enable MCF to capture donor email addresses when scanning and processing donations. This will then facilitate electronic communication with donors going forward.
- Developing system to auto-generate correspondence with holders of dormant Relief Chests. Initial auto-correspondence will be at 18 months from last charitable donation with facility to deactivate non-responsive dormant accounts.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Achievements and Performance (continued)

- Increasing the number of charitable donations through the e-voucher system to 53.1% from 48.6% in the prior year.

Financial Review

Review of the Year

After a substantial recovery of activity in the second half of the prior year, it was pleasing to note that activity for the current year was higher than pre Covid-19 levels.

Incoming receipts of £13.62 M were 29% higher than prior year. Expenditure of £15.40 M was 61% higher. Masonic grants of £11.93 M were 79% higher than prior year, whilst charity grants of £3.47 M were 18% higher. The net outflow was £1.47 M against a prior year inflow of £0.99 M.

Reserves Policy

Following the transfer of accumulated unrestricted reserves to TGC Company, the Charity has become solely the mechanism for continued operation of the Relief Chest. The policy is to transfer any ongoing residual income from donations and legacies directly to the MCF immediately following receipt.

Investment Policy and Performance

The aim is to maintain the capital and generate a reasonable level of income by utilising the services of Royal London Asset Management Ltd (RLAM), a qualified asset management firm regulated by the Financial Conduct Authority that provides investment capabilities across a range of asset classes. The position on risk is to consider only low risk investments such as treasury bills, deposits with approved banks, certificates of deposit by approved banks and other cash related products.

The Royal London Short Term Money Market Fund has been used for investing cash that is surplus to immediate operational requirements. The Short Term Money Market Fund can only invest in money market instruments, covered bonds, corporate bonds (minimum credit rating of AA-) and Gilts/Supranational, and is rated by Fitch as an AAA money market fund. For the year ended 31 March 2023, the investment return on the cash was 2.3% after fees. This compares to a benchmark return of 2.2% (SONIA).

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Principal Risks and Mitigation

The principal risks identified and agreed actions to mitigate are shown in the following table:

Risk	Consequence	Mitigation
Significant unexpected financial loss from operations	Reputational damage, loss of confidence with key stakeholders and impact upon continuing financial sustainability	Strong financial procedures, particularly budgetary planning and control. Oversight from the Finance Committee.
Inadequate liquidity to meet financial commitments	Poor service to beneficiaries and reputational damage. Withdrawal of key services from suppliers	Cash flow forecasting and liquidity planning within the Investment Strategy
Significant long-term loss in the value of the investment portfolio	Impacts financial sustainability and reputational damage with donors	Appointment of Asset Risk Consultants as expert investment advisors, providing monthly performance reporting and analysis. Oversight from investment and property committees.
Grants made outside the Charity's Objects and operating guidelines	Reputational damage, loss of confidence with key stakeholders and potential trustee liability	Strong procedures and controls for processing grants. Oversight from Masonic Support and Charity Grants committees
Cyberattack on IT systems	All key operations are compromised	United Grand Lodge of England ("UGLE") and IT network providers have strong security procedures in place covering access, protection, backups and disaster recovery facilities. Mandatory cybersecurity training in place for all staff
Data protection breach	Reputational damage and significant financial penalties	Data protection policy, IT security and HR policies in place
Fraud	Financial loss, reputational damage, adverse impact upon staff	Financial procedures, segregation of duties, authority limits, IT security, increased awareness amongst staff
Unavailability of office accommodation	Operations compromised	UGLE Business Continuity Plan
Loss of paper records from fire/flooding	Breach of legal obligations, adverse impact upon operations, potential financial penalties	Reduced reliance on paper records with increased use of IT.
Lack of compliance with employment legislation	Breach of legal obligations, potential financial penalties, breakdown of staff morale and adverse impact upon service provision	HR procedures and staff handbook. Induction processes for new staff. Ongoing management training and Personal Development Review
Undue reliance on key persons	Operational breakdown, adverse impact upon staff morale, poor service to beneficiaries and potential reputational damage	HR procedures: organisational and succession planning. Comprehensive documentation of procedures and controls

Risks are actively monitored by the Executive and the senior leadership team, and formally reviewed by the audit and risk committee at their quarterly meetings.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Plans for Future Periods

The Charity will continue to operate the Relief Chest Scheme as described in page 6 of this report for the foreseeable future.

As part of the corporate plan 2023/24, RCS will:

- Undertake direct engagement with a number of provinces to roll out the new relief chest strategy with a focus upon the new electronic payment channels.
- Roll out Relief Chest Online to all remaining relief chest holders.
- Significantly increase the use of digital donations, online donations and payments using the e-voucher system.
- Optimise the interest earned on relief chest funds held on deposit.

THE GRAND CHARITY

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Statement of Responsibilities

The trustee is responsible for preparing the trustee's report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (U.K. "GAAP").

The law applicable to charities in England and Wales, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year.

In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

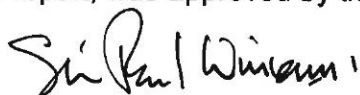
The trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution proposing that Knox Cropper LLP be reappointed as auditor will be put to the members.

Approval by Trustee

This report, was approved by the trustee on 14th September 2023 and signed on their behalf by



Sir Paul Williams, OBE, KStJ, DL

Chairman, MCF

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

We have audited the financial statements of The Grand Charity (the "Charity") for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 March 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 Charities Act 2011.

Basis of 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 trustee 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 trustee is responsible for the other information.

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustee's 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 Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 11, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for any restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for any restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 the audit report

This report is made solely to the Charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the Charity's trustee 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 trustee as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD
14th September 2023

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

THE GRAND CHARITY

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
INCOME			
Donations and legacies	2	13,617	10,567
Investment income	3	309	0
Total income		13,926	10,567
EXPENDITURE			
Charitable activities			
Masonic grants	4	(11,930)	(6,649)
Non-Masonic grants	4	(3,470)	(2,928)
Total expenditure		(15,400)	(9,577)
NET MOVEMENT IN FUNDS		(1,474)	990
Total funds brought forward		22,786	21,796
Total funds carried forward		21,312	22,786

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

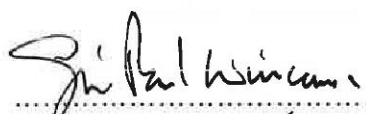
The notes on pages 18 to 22 form part of these financial statements.

THE GRAND CHARITY

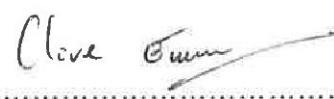
BALANCE SHEET as at 31 MARCH 2023

	Note	March 2023 £'000	March 2022 £'000
CURRENT ASSETS			
Debtors	5	500	326
Short term deposits		19,222	15,696
Cash at bank and in hand		1,590	6,768
		<u>21,312</u>	<u>22,790</u>
CURRENT LIABILITIES			
Creditors falling due within one year	6	0	(4)
Total net assets		<u>21,312</u>	<u>22,786</u>
CHARITABLE FUNDS			
Restricted income funds			
Relief Chest		21,312	22,786
Total charitable funds		<u>21,312</u>	<u>22,786</u>

The financial statements were approved and authorised for issue by the Trustee Board on 14th September 2023 and signed on their behalf by:


.....
Sir Paul Williams, OBE, DL

Chairman


.....
Clive Emerson

Treasurer

The notes on pages 18 to 22 form part of these financial statements

THE GRAND CHARITY

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

2023
£'000

2022
£'000

Operating Activities

Net cash provided by/(used in) Operating Activities A (1,961) 813

Cash flows from investing activities

Dividends and interest from investments 309 0

Net cash provided by/(used in) Investing Activities 309 0

Change in cash and cash equivalents in the reporting period

(1,652) 813

Cash and cash equivalents at the beginning of the reporting period

22,464 21,651

Cash and cash equivalents at the end of the reporting period

B 20,812 22,464

Notes on the cash flow statement

A Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net movement in funds as per the Statement of Financial Activities

(1,474) 990

Adjustments for:

Dividends, interest and rents from investments (309) 0

(Increase) in debtors (174) (174)

(Decrease) in creditors (4) (3)

Net cash provided by/(used in) Operating Activities (1,961) 813

B Analysis of cash and cash equivalents

Short term deposits 19,222 15,696

Cash at bank and in hand 1,590 6,768

Total cash and cash equivalents 20,812 22,464

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of The Grand Charity (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 second edition) published in 2019 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The trustee has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustee has made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustee of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

- i. Monetary donations are brought into account when received.
- ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.

(e) Resources expended

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 any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Charitable activities are split between masonic activities and grants awarded to external institutions (designated as "non-Masonic" within the SOFA).

Masonic activities include the payment of grants directly to beneficiaries together with related welfare and support costs. Non-Masonic activities consist of the payment of grants to external institutions. Support costs are allocated to these activities on the bases laid out in note 4.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award.

The provision for multi-year grants is recognised at its present value when settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit it to avoid making future payments, settlement is probable and the effect of discounting is material. The discount rate used is the long-term return of inflation plus 4 percent used as the target for the Charity's investment portfolio.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(f) Employee benefits

All staff are employed by the parent charity, The Masonic Charitable Foundation, and no recharges are made to the Charity. Information relating to those employees is given in the accounts of the Masonic Charitable Foundation.

(g) Fund accounting

Restricted funds are subject to specific conditions imposed by the donors and/or for the purposes for which they are raised.

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity.

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(i) Financial assets and liabilities

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(j) Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are discounted to present value where the effect is material.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(k) Foreign currencies

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) Taxation

The Charity is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

2. DONATIONS AND LEGACIES

	2023	2022
	£'000	£'000
Donations to Relief Chest Fund	13,617	10,567
	<u>13,617</u>	<u>10,567</u>

3. INVESTMENT INCOME

	2023	2022
	£'000	£'000
Interest on bank deposits	309	0
	<u>309</u>	<u>0</u>

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

4. CHARITABLE ACTIVITIES	2023	2022
	£'000	£'000
Masonic		
Relief Chest	11,930	6,649
	<u>11,930</u>	<u>6,649</u>
Non-Masonic		
Armed Forces	72	25
Arts, Culture & Sport	27	18
Disaster Relief	117	22
Education	303	154
Environment, Conservation and Heritage	20	13
Health and Disability	1,673	2,017
Hospices	217	221
Other Charitable Purposes	608	375
Rescue Services	351	49
Research	82	34
	<u>3,470</u>	<u>2,928</u>
5. DEBTORS	March 2023	March 2022
	£'000	£'000
Prepayments and accrued income	500	326
	<u>500</u>	<u>326</u>
6. CREDITORS	March 2023	March 2022
	£'000	£'000
Falling due within one year		
Accruals and deferred income	0	4
	<u>0</u>	<u>4</u>
7. RELATED PARTY TRANSACTIONS		
Under the Relief Chest Scheme the Charity has made charitable donations to the MCF and other fellow subsidiaries on behalf of its holders as set out on page 7 of the trustees' report. The MCF has borne all the administrative costs of supporting the Charity.		
8. ULTIMATE CONTROLLING PARTY		

The ultimate controlling party is the Masonic Charitable Foundation (Registered Charity No. 1164703, Company Number 09751836). Consolidated accounts for the MCF, which include the accounts of the Charity, can be obtained from the registered office of the Charity.

Accounts

THE GRAND CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Charity Number: 281942

THE GRAND CHARITY

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Statement of Financial Activities	15
Balance Sheet	16
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THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

The trustee is pleased to submit its report for the year ended 31st March 2022.

Reference and Administrative Information

Name and Registered Office

The name of the charity is The Grand Charity (the "Charity") and it has its registered office at 60 Great Queen Street, London, WC2B 5AZ.

Trustees

The trustee who served during the year were:

- The Masonic Charitable Foundation ("MCF") (Corporate Trustee, Registered Charity No. 1164703, Company Number 09751836)

The trustees of the MCF who served during the year were:

- John Boyington, CBE
- Sinead Brophy
- Charles A.G. Cunningham
- Timothy D. Dallas-Chapman (resigned 9th December 2021)
- Simon D'O. Duckworth, OBE, DL
- Clive Emerson
- Dr Simon Fellerman
- Alan P. Graham, MBE
- Antony D.G. Harvey
- Christopher Head
- Michael R. Heenan (Treasurer)
- Richard M. Hone, QC (President)
- James H. Newman, OBE (resigned 28th April 2021)
- Stephen Robinson
- Howard Ian Sabin (resigned 9th December 2021)
- David Southern (appointed 10th June 2021)
- Nigel J. Vaughan
- David C. Watson (resigned 9th December 2021)
- Andrew G. Wauchope
- Sir Paul Williams, OBE, KStJ, DL (Deputy President and Chairman)
- Howard G. Wilson

James H. Newman resigned as Chairman of the MCF on 31st March 2021 and Trustee of the MCF on 28th April 2021, and Sir Paul Williams was appointed Chairman on 1st April 2021.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Executive

The Executive during the year to 31st March 2022 were:

- Les Hutchinson, Chief Executive
- Charles Angus, Group Finance Director
- Annette Campbell, Company Secretary (resigned 5th February 2022)
- Brenda Nurse, Company Secretary (appointed 1st March 2022)

Auditor

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London, EC3A 2AD

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

Investment Managers

Royal London Asset Management, 55 Gracechurch Street, London EC3V 0RL

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

Structure, Governance and Management

Organisation

The Charity was established by trust deed on 16th April 1980 by the United Grand Lodge of England, which provided initial funding from the Grand Lodge's Fund of Benevolence. At a meeting held on 9th September 2015, the trustees approved a deed of amendment and reinstatement and an amended trust deed altering the constitutional and governance arrangements of the charity to reflect changes in trustees and membership with effect from 1st April 2016.

The unrestricted assets and liabilities from the Charity, together with the assets and liabilities of the Transferred Beneficiaries Fund, were transferred to a fellow subsidiary company of the same name (charity number 1170335 and company number 01487345; hereafter "TGC Company") with effect from 1st February 2017 following a resolution from the trustees made on 15 December 2016. The restricted Relief Chest Fund remains in the unincorporated trust.

As the sole trustee, the MCF exercises control over the Charity, and will consolidate the Charity's results in its group accounts. Details of the processes for the appointment, induction and training of the MCF's trustees are given in the annual report and accounts of that company.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Governance and Management

All governance and management capabilities are provided by the MCF and details of the relevant committees and processes are provided in the annual report and accounts of that company. Trustees and committees of the MCF address the specific needs of the Charity as part of their roles and responsibilities for the MCF. The trustee board and the main committees meet as follows:

Board/Committee	Purpose	Meetings per year
Trustee Board	Main decision-making body with ultimate responsibility for the Charity	4
Audit and Risk	Identification and mitigation of risk, oversight of external audit	2
Charity Grants	Consideration of applications for grants from organisations recognised by the Charity Commission	4
Finance	Ensuring adequate procedures are in place to manage all aspects of financial planning, controlling and reporting.	4
Fundraising	Supporting the masonic community's fund raising activities to support the Charity	4
Investments	Maintaining investment strategies to meet the requirements of the Charity, appointment and monitoring of fund managers	4
Masonic Support	Consideration of applications from individuals connected with the masonic community for financial relief	4
Remuneration	Determination of executive and staff pay & benefits	2
Strategy	Development and implementation of strategies to support the Charity's objectives. In addition, the trustees hold an annual strategic 'away day'.	4

The Charity does not employ any staff, with services being provided by staff employed by the MCF.

Objectives and Activities

Objectives

The Charity is the central grant-making charity of all Freemasons under the English Constitution. The objects of the Charity, as expressed in the trust deed, are very broad and before the amendments approved at the annual general meeting in September 2015, gave discretion to the trustees to support charitable purposes as recognised under UK Law. As a result of the amendments, that discretion has now passed to the Charity's sole corporate trustee.

The trustee has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and has ensured that its grant-making policies and activities comply with the requirements

Activities

Following the transfer of grant making activities to TGC Company in 2017, the sole activity of the Charity is now to provide administrative services to the Masonic community as laid out overleaf:

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Activities (Continued)

1. Relief Chest Scheme

The Relief Chest Scheme (RCS), introduced in 1986, offers individual relief chests to lodges, chapters, provinces and other recognised Masonic organisations, which are used to generate funds for all types of charitable purposes. These funds are held by The Grand Charity unincorporated trust in a restricted fund. A donation is made from a relief chest to a charity, an organisation recognised as charitable, or for an individual in distress only at the request of the relief chest holder.

The RCS provides vital support to provinces in festival and other appeals, enabling them to reach their fundraising targets efficiently. It also ensures that all statutory compliance and administration requirements, for example, of the Charity Commission, Information Commissioner's Office and HMRC have been met.

Investment in infrastructure and latest technology ensures that the RCS delivers a risk management framework in a cost efficient manner.

In 2018, RCS launched donor advised funds for individuals. The Individual Relief Chest Scheme (IRCs) programme was released in beta version. It is now open to all Freemasons, their families and friends. These funds are held by the Masonic Charitable Foundation in a restricted fund.

All services of the RCS are provided free, no administration fee is charged to the chest holder.

The services of the RCS, which assist donors to give to both Masonic and non-Masonic charitable activities efficiently, contribute to the public benefit by creating value for other charities and extending the Scheme's positive impact.

The Charity is transforming Masonic charitable giving to make the process easy and to help give substantial donations each year to charitable causes.

The Charity is committed to helping Freemasons to make a difference to the world in which they live and to inspire greater generosity from this community, by offering practical tailored support through its wealth of resources and tools.

2. Maintaining and supporting the Festival and Donations IT system

In addition to the above the RCS provided maintenance and support of the festival and donations IT system. This application is used for the festival management of the CMCs.

3. Maintaining and supporting the Honorifics Evaluation IT system (HONE)

RCS designed and developed an application to manage the honorific programme for the Masonic Charitable Foundation. This IT system is maintained and supported by RCS.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Achievements and Performance

During the year, activity in the RCS included:

	2022	2021
• Number of Relief Chests	5,152	5,055
• Average number of monthly donations into the Scheme	37,884	31,628
• Average number of monthly tax reclaims	30,278	25,488
• Average number of monthly payments from the Scheme	308	283
• Number of new Relief Chests opened	144	72

Relief Chest holders utilised the Scheme by requesting charitable donations as follows.

	2022	2021
	£000	£000
Masonic Charitable Foundation	5,986	5,955
The Grand Charity (General Fund)	2	88
The Royal Masonic Trust for Girls and Boys	240	382
The Royal Masonic Benevolent Institution	400	453
Masonic Samaritan Fund	21	83
Other charitable purposes	<u>2,885</u>	<u>2,761</u>
Total	<u>9,534</u>	<u>9,722</u>

The achievements during the year have enhanced our support and services therefore contributing towards the strategic objectives of the Charity.

Key achievements during the year included:

- Integration of the festival and donations department into the relief chest operation, following which all new incoming donations are now processed solely through the relief chest.
- Provision of secure electronic communications and receipts to chest holders through the Rmail secure e-mail service.
- Creation of further facilities to diversify the investment of relief chest funds to increase the return whilst maintaining high levels of capital protection.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Financial Review

Review of the Year

Resumption of lodge activities for the second half of the year has resulted in a significant recovery of income received by the Relief Chest.

Incoming receipts of £10.57 M were 25% higher than prior year. Expenditure of £9.58 M was 2% lower. Masonic grants of £6.65 M were 4% lower than prior year, whilst charity grants of £2.93 M were 5% higher. The net inflow was £0.99 M against a prior year outflow of £1.28 M.

Reserves Policy

Following the transfer of accumulated unrestricted reserves to TGC Company, the Charity has become solely the mechanism for continued operation of the Relief Chest. The policy is to transfer any ongoing residual income from donations and legacies directly to the MCF immediately following receipt.

Investment Policy and Performance

The aim is to maintain the capital and generate a reasonable level of income by utilising the services of Royal London Asset Management Ltd (RLAM), a qualified asset management firm regulated by the Financial Conduct Authority that provides investment capabilities across a range of asset classes. The position on risk is to consider only low risk investments such as treasury bills, deposits with approved banks, certificates of deposit by approved banks and other cash related products.

The Royal London Short Term Money Market Fund has been used for investing cash that is surplus to immediate operational requirements. The Short Term Money Market Fund can only invest in money market instruments, covered bonds, corporate bonds (minimum credit rating of AA-) and Gilts/Supranational, and is rated by Fitch as an AAA money market fund. For the year ended 31 March 2021, the investment return on the cash was 0.1% after fees. This compares to a benchmark return of 0.1% (SONIA).

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Principal Risks and Mitigation

The principal risks identified and agreed actions to mitigate are shown in the following table:

Risk	Consequence	Mitigation
Significant unexpected financial loss from operations	Reputational damage, loss of confidence with key stakeholders and impact upon continuing financial sustainability	Strong financial procedures, particularly budgetary planning and control. Oversight from the Finance Committee.
Inadequate liquidity to meet financial commitments	Poor service to beneficiaries and reputational damage. Withdrawal of key services from suppliers	Cash flow forecasting and liquidity planning within the Investment Strategy
Significant long-term loss in the value of the investment portfolio	Impacts financial sustainability and reputational damage with donors	Appointment of Asset Risk Consultants as expert investment advisors, providing monthly performance reporting and analysis. Oversight from investment and property committees.
Grants made outside the Charity's Objects and operating guidelines	Reputational damage, loss of confidence with key stakeholders and potential trustee liability	Strong procedures and controls for processing grants. Oversight from Masonic Support and Charity Grants committees
Cyberattack on IT systems	All key operations are compromised	United Grand Lodge of England ("UGLE") and IT network providers have strong security procedures in place covering access, protection, backups and disaster recovery facilities. Mandatory cybersecurity training in place for all staff
Data protection breach	Reputational damage and significant financial penalties	Data protection policy, IT security and HR policies in place
Fraud	Financial loss, reputational damage, adverse impact upon staff	Financial procedures, segregation of duties, authority limits, IT security, increased awareness amongst staff
Unavailability of office accommodation	Operations compromised	UGLE Business Continuity Plan
Loss of paper records from fire/flooding	Breach of legal obligations, adverse impact upon operations, potential financial penalties	Reduced reliance on paper records with increased use of IT.
Lack of compliance with employment legislation	Breach of legal obligations, potential financial penalties, breakdown of staff morale and adverse impact upon service provision	HR procedures and staff handbook. Induction processes for new staff. Ongoing management training and Personal Development Review
Undue reliance on key persons	Operational breakdown, adverse impact upon staff morale, poor service to beneficiaries and potential reputational damage	HR procedures: organisational and succession planning. Comprehensive documentation of procedures and controls

Risks are actively monitored by the Executive and the senior leadership team, and formally reviewed by the audit and risk committee at their biannual meetings.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Plans for Future Periods

The Charity will continue to operate the Relief Chest Scheme as described in page 6 of this report for the foreseeable future.

As part of the corporate plan 2022/232, RCS will:

- Develop an online service that will allow relief chest holders to securely access their accounts online and to add second officers in addition to the Provincial Chest Represent (e.g. Secretary, Treasurer).
- Capture and link bank account details of registered charities within the RCS database to facilitate donating directly from the RCs.
- Carry out a review of the Individual Relief Chest Scheme (IRCs). This will consider the overall effectiveness of the scheme in its current format and what enhancements could be made to best meet the needs of the donors.
- Development of a system to auto-generate correspondence with holders of dormant Relief Chests. Initial auto-correspondence will be at 18 months from last charitable donation with facility to deactivate non-responsive dormant accounts.
- Update ABBYY software and forms, Apex and File Director to enable MCF to capture donor email addresses when scanning and processing donations. This will then facilitate electronic communication with donors going forward.

THE GRAND CHARITY

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Statement of Responsibilities

The trustee is responsible for preparing the trustee's report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (U.K. "GAAP").

The law applicable to charities in England and Wales, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year.

In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

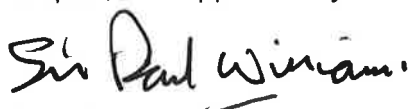
The trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution proposing that Knox Cropper LLP be reappointed as auditor will be put to the members.

Approval by Trustee

This report, was approved by the trustee on 15th September 2022 and signed on their behalf by



Sir Paul Williams, OBE, KStJ, DL

Chairman, MCF

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

We have audited the financial statements of The Grand Charity (the “Charity”) for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 March 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 Charities Act 2011.

Basis of 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 trustee 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 trustee is responsible for the other information.

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustee's 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 Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 11, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for any restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for any restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 the audit report

This report is made solely to the Charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the Charity's trustee 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 trustee as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD

15 September 2021

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

THE GRAND CHARITY

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
INCOME			
Donations and legacies	2	10,567	8,446
Investment income	3	0	28
Total income		10,567	8,474
EXPENDITURE			
Charitable activities			
Masonic grants	4	(6,649)	(6,962)
Non-Masonic grants	4	(2,928)	(2,787)
Total expenditure		(9,577)	(9,749)
NET MOVEMENT IN FUNDS		990	(1,275)
Total funds brought forward		21,796	23,071
Total funds carried forward		22,786	21,796

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

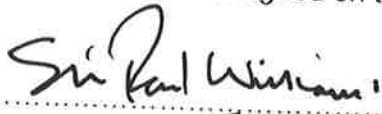
The notes on pages 18 to 22 form part of these financial statements.

THE GRAND CHARITY

BALANCE SHEET as at 31 MARCH 2022

	Note	March 2022 £'000	March 2021 £'000
CURRENT ASSETS			
Debtors			
Short term deposits	5	326	152
Cash at bank and in hand		15,696	19,724
		6,768	1,927
		<u>22,790</u>	<u>21,803</u>
CURRENT LIABILITIES			
Creditors falling due within one year	6	(4)	(7)
Total net assets		<u>22,786</u>	<u>21,796</u>
CHARITABLE FUNDS			
Restricted income funds			
Relief Chest		22,786	21,796
Total charitable funds		<u>22,786</u>	<u>21,796</u>

The financial statements were approved and authorised for issue by the Trustee Board on 15th September 2022 and signed on their behalf by:


 Sir Paul Williams, OBE, DL

Chairman


 Michael Heenan

Treasurer

The notes on pages 18 to 22 form part of these financial statements

THE GRAND CHARITY

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2022

2022	2021
£'000	£'000

Operating Activities

Net cash provided by/(used in) Operating Activities	A	813	(1,238)
--	---	-----	---------

Cash flows from investing activities

Dividends and interest from investments	0	28
---	---	----

Net cash provided by/(used in) Investing Activities	0	28
--	---	----

Change in cash and cash equivalents in the reporting period	813	(1,210)
--	-----	---------

Cash and cash equivalents at the beginning of the reporting period	21,651	22,861
--	--------	--------

Cash and cash equivalents at the end of the reporting period	B	22,464	21,651
---	---	--------	--------

Notes on the cash flow statement

A Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net movement in funds as per the Statement of Financial Activities	990	(1,275)
--	-----	---------

Adjustments for:

Dividends, interest and rents from investments	0	(28)
(Increase)/decrease in debtors	(174)	65
(Decrease) in creditors	(3)	0

Net cash provided by/(used in) Operating Activities	813	(1,238)
--	-----	---------

B Analysis of cash and cash equivalents

Short term deposits	15,696	19,724
Cash at bank and in hand	6,768	1,927

Total cash and cash equivalents	22,464	21,651
--	--------	--------

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of The Grand Charity (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 second edition) published in 2019 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The trustee has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustee has made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustee of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

- i. Monetary donations are brought into account when received.
- ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.

(e) Resources expended

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 any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Charitable activities are split between masonic activities and grants awarded to external institutions (designated as "non-Masonic" within the SOFA).

Masonic activities include the payment of grants directly to beneficiaries together with related welfare and support costs. Non-Masonic activities consist of the payment of grants to external institutions. Support costs are allocated to these activities on the bases laid out in note 4.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award.

The provision for multi-year grants is recognised at its present value when settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit it to avoid making future payments, settlement is probable and the effect of discounting is material. The discount rate used is the long-term return of inflation plus 4 percent used as the target for the Charity's investment portfolio.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

(f) **Employee benefits**

All staff are employed by the parent charity, The Masonic Charitable Foundation, and no recharges are made to the Charity. Information relating to those employees is given in the accounts of the Masonic Charitable Foundation.

(g) **Fund accounting**

Restricted funds are subject to specific conditions imposed by the donors and/or for the purposes for which they are raised.

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity.

(h) **Investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(i) **Financial assets and liabilities**

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(j) **Provisions**

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are discounted to present value where the effect is material.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

(k) Foreign currencies

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) Taxation

The Charity is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

2. DONATIONS AND LEGACIES	2022	2021
	£'000	£'000
Donations to Relief Chest Fund	10,567	8,446
	10,567	8,446

3. INVESTMENT INCOME	2022	2021
	£'000	£'000
Interest on bank deposits	0	28
	0	28

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

4. CHARITABLE ACTIVITIES	2022	2021
	£'000	£'000
Masonic		
Relief Chest	6,649	6,962
	<u>6,649</u>	<u>6,962</u>
Non-Masonic		
Armed Forces	25	17
Arts, Culture & Sport	18	42
Disaster Relief	22	9
Education	154	265
Environment, Conservation and Heritage	13	22
Health and Disability	2,017	918
Hospices	221	161
Other Charitable Purposes	375	277
Rescue Services	49	1,043
Research	34	33
	<u>2,928</u>	<u>2,787</u>
5. DEBTORS	March 2022	March 2021
	£'000	£'000
Prepayments and accrued income	326	152
	<u>326</u>	<u>152</u>
6. CREDITORS	March 2022	March 2021
	£'000	£'000
Falling due within one year		
Accruals and deferred income	4	7
	<u>4</u>	<u>7</u>
7. RELATED PARTY TRANSACTIONS		

Under the Relief Chest Scheme the Charity has made charitable donations to the MCF and other fellow subsidiaries on behalf of its holders as set out on page 7 of the trustees' report.

The MCF has borne all the administrative costs of supporting the Charity.

8. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Masonic Charitable Foundation (Registered Charity No. 1164703, Company Number 09751836). Consolidated accounts for the MCF, which include the accounts of the Charity, can be obtained from the registered office of the Charity.

THE GRAND CHARITY

England & Wales - Charity number 281942

Accounts

THE GRAND CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Charity Number: 281942

THE GRAND CHARITY

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THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

The trustee is pleased to submit its report for the year ended 31st March 2021.

Reference and Administrative Information

Name and Registered Office

The name of the charity is The Grand Charity (the "Charity") and it has its registered office at 60 Great Queen Street, London, WC2B 5AZ.

Trustees

The trustee who served during the year were:

- The Masonic Charitable Foundation ("MCF") (Corporate Trustee, Registered Charity No. 1164703, Company Number 09751836)

The trustees of the MCF who served during the year were:

- John Boyington, CBE
- Sinead Brophy
- Charles A.G. Cunnington
- Timothy D. Dallas-Chapman
- Simon D'O. Duckworth, OBE, DL
- Clive Emerson
- Dr Simon Fellerman (appointed 1st September 2020)
- Alan P. Graham, MBE
- Antony D.G. Harvey
- Christopher Head
- Michael R. Heenan (Treasurer)
- Richard M. Hone, QC (President)
- John E. Hornblow (resigned 25th August 2020)
- James H. Newman, OBE (Deputy President and Chairman)
- Stephen Robinson (appointed 8th March 2021)
- Howard Ian Sabin
- Nigel J. Vaughan
- David C. Watson
- Andrew G. Wauchope
- Christopher G. White (resigned 25th August 2020)
- Sir Paul Williams, OBE, KStJ, DL
- Howard G. Wilson

James H. Newman resigned as Chairman of the MCF on 31st March 2021 and Trustee of the MCF on 28th April 2021, and Sir Paul Williams was appointed Chairman on 1st April 2021.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Executive

The Executive during the year to 31st March 2021 were:

- David Innes, Chief Executive (resigned 18th September 2020)
- Les Hutchinson, Chief Operating Officer to, and Chief Executive from 21st September 2020
- Charles Angus, Group Finance Director
- Annette Campbell, Company Secretary

Auditor

Knox Cropper LLP, Chartered Accountants, 65 Leadenhall Street, London, EC3A 2AD

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

Investment Managers

Royal London Asset Management, 55 Gracechurch Street, London EC3V 0RL

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

Structure, Governance and Management

Organisation

The Charity was established by trust deed on 16th April 1980 by the United Grand Lodge of England, which provided initial funding from the Grand Lodge's Fund of Benevolence. At a meeting held on 9th September 2015, the trustees approved a deed of amendment and reinstatement and an amended trust deed altering the constitutional and governance arrangements of the charity to reflect changes in trustees and membership with effect from 1st April 2016.

The unrestricted assets and liabilities from the Charity, together with the assets and liabilities of the Transferred Beneficiaries Fund, were transferred to a fellow subsidiary company of the same name (charity number 1170335 and company number 01487345; hereafter "TGC Company") with effect from 1st February 2017 following a resolution from the trustees made on 15 December 2016. The restricted Relief Chest Fund remains in the unincorporated trust.

As the sole trustee, the MCF exercises control over the Charity, and will consolidate the Charity's results in its group accounts. Details of the processes for the appointment, induction and training of the MCF's trustees are given in the annual report and accounts of that company.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Governance and Management

All governance and management capabilities are provided by the MCF and details of the relevant committees and processes are provided in the annual report and accounts of that company. Trustees and committees of the MCF address the specific needs of the Charity as part of their roles and responsibilities for the MCF. The trustee board and the main committees meet as follows:

Board/Committee	Purpose	Meetings per year
Trustee Board	Main decision-making body with ultimate responsibility for the Charity	4
Audit and Risk	Identification and mitigation of risk, oversight of external audit	2
Charity Grants	Consideration of applications for grants from organisations recognised by the Charity Commission	4
Finance	Ensuring adequate procedures are in place to manage all aspects of financial planning, controlling and reporting.	4
Fundraising	Supporting the masonic community's fund raising activities to support the Charity	4
Investments	Maintaining investment strategies to meet the requirements of the Charity, appointment and monitoring of fund managers	4
Masonic Support	Consideration of applications from individuals connected with the masonic community for financial relief	4
Remuneration	Determination of executive and staff pay & benefits	2
Strategy	Development and implementation of strategies to support the Charity's objectives. In addition, the trustees hold an annual strategic 'away day'.	4

The Charity does not employ any staff, with services being provided by staff employed by the MCF.

Objectives and Activities

Objectives

The Charity is the central grant-making charity of all Freemasons under the English Constitution. The objects of the Charity, as expressed in the trust deed, are very broad and before the amendments approved at the annual general meeting in September 2015, gave discretion to the trustees to support charitable purposes as recognised under UK Law. As a result of the amendments, that discretion has now passed to the Charity's sole corporate trustee.

The trustee has referred to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives and has ensured that its grant-making policies and activities comply with the requirements

Activities

Following the transfer of grant making activities to TGC Company in 2017, the sole activity of the Charity is now to provide administrative services to the Masonic community as laid out overleaf:

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Activities (Continued)

1. Relief Chest Scheme

The Relief Chest Scheme (RCS), introduced in 1986, offers individual relief chests to lodges, chapters, provinces and other recognised Masonic organisations, which are used to generate funds for all types of charitable purposes. These funds are held by The Grand Charity unincorporated trust in a restricted fund. A donation is made from a relief chest to a charity, an organisation recognised as charitable, or for an individual in distress only at the request of the relief chest holder.

The RCS provides vital support to provinces in festival and other appeals, enabling them to reach their fundraising targets efficiently. It also ensures that all statutory compliance and administration requirements, for example, of the Charity Commission, Information Commissioner's Office and HMRC have been met.

Investment in infrastructure and latest technology ensures that the RCS delivers a risk management framework in a cost efficient manner.

In 2018, RCS launched donor advised funds for individuals. The Individual Relief Chest Scheme (IRCs) programme was released in beta version. It is now open to all Freemasons, their families and friends. These funds are held by the Masonic Charitable Foundation in a restricted fund.

All services of the RCS are provided free, no administration fee is charged to the chest holder.

The services of the RCS, which assist donors to give to both Masonic and non-Masonic charitable activities efficiently, contribute to the public benefit by creating value for other charities and extending the Scheme's positive impact.

The Charity is transforming Masonic charitable giving to make the process easy and to help give substantial donations each year to charitable causes.

The Charity is committed to helping Freemasons to make a difference to the world in which they live and to inspire greater generosity from this community, by offering practical tailored support through its wealth of resources and tools.

2. Maintaining and supporting the Festival and Donations IT system

In addition to the above the RCS provided maintenance and support of the festival and donations IT system. This application is used for the festival management of the CMCs.

3. Maintaining and supporting the Honorifics Evaluation IT system (HONE)

RCS designed and developed an application to manage the honorific programme for the Masonic Charitable Foundation. This IT system is maintained and supported by RCS.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Achievements and Performance

During the year, activity in the RCS included:

	2021	2020
• Number of Relief Chests	5,055	5,030
• Average number of monthly donations into the Scheme	31,628	55,199
• Average number of monthly tax reclaims	25,488	49,976
• Average number of monthly payments from the Scheme	283	411
• Number of new Relief Chests opened	72	206

Relief Chest holders utilised the Scheme by requesting charitable donations as follows.

	2021	2020
	£000	£000
Masonic Charitable Foundation	5,955	6,830
The Grand Charity (General Fund)	88	676
The Royal Masonic Trust for Girls and Boys	382	1,365
The Royal Masonic Benevolent Institution	453	1,356
Masonic Samaritan Fund	83	88
Other charitable purposes	2,761	2,921
Total	9,722	13,236

The achievements during the year have enhanced our support and services therefore contributing towards the strategic objectives of the Charity.

Key achievements during the year included:

- Implementation of the on-line e-voucher payment module enabling chest holders to make payments electronically through a work-flow system, removing the need for sending paperwork through the post and reducing the time taken to effect payment. This system has proven to be invaluable during the year, allowing the Relief Chest to function effectively through remote working throughout the Covid-19 lockdown.
- Development and implementation of Digital Donations; an on-line donations mechanism that enables lodge members to make donations through the use of QR codes via their mobile phones, providing an efficient alternative to the cash collections using gift aid envelopes.
- Transfer of on-line sponsorship donations from Everyday Hero to JustGiving with automated claim of Gift Aid.
- Increased frequency of payments to twice-monthly and greater uptake of BACS for regular payments.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Achievements and Performance (Continued)

- Replacement of paper-based statements with electronic documents sent by secure e-mail.
- Implementation of emergency response chest for the Covid-19 pandemic.

Financial Review

Review of the Year

The government lockdowns imposed to address the Covid-19 pandemic have resulted in lodge activities being suspended for the vast majority of the year, and this has had a significant impact upon voluntary income collected through the Relief Chest during the year.

Incoming receipts of £8.47 M were 37% lower than prior year, and expenditure of £9.75 M was 26% lower. Masonic grants of £6.96 M were 33% lower than prior year, whilst charity grants of £2.79 M were 5% lower. The net outflow was £1.28 M against prior year inflow of £0.24 M.

Reserves Policy

Following the transfer of accumulated unrestricted reserves to TGC Company, the Charity has become solely the mechanism for continued operation of the Relief Chest. The policy is to transfer any ongoing residual income from donations and legacies directly to the TGC Company immediately following receipt.

Investment Policy and Performance

The aim is to maintain the capital and generate a reasonable level of income by utilising the services of Royal London Asset Management Ltd (RLAM), a qualified asset management firm regulated by the Financial Conduct Authority that provides investment capabilities across a range of asset classes. The position on risk is to consider only low risk investments such as treasury bills, deposits with approved banks, certificates of deposit by approved banks and other cash related products.

The Royal London Short Term Money Market Fund has been used for investing cash that is surplus to immediate operational requirements. The Short Term Money Market Fund can only invest in money market instruments, covered bonds, corporate bonds (minimum credit rating of AA-) and Gilts/Supranational, and is rated by Fitch as an AAA money market fund. For the year ended 31 March 2021, the investment return on the cash was 0.1% after fees. This compares to a benchmark return of 0.1% (SONIA).

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Principal Risks and Mitigation

The principal risks identified and agreed actions to mitigate are shown in the following table:

Risk	Consequence	Mitigation
Significant unexpected financial loss from operations	Reputational damage, loss of confidence with key stakeholders and impact upon continuing financial sustainability	Strong financial procedures, particularly budgetary planning and control. Oversight from the Finance Committee.
Inadequate liquidity to meet financial commitments	Poor service to beneficiaries and reputational damage. Withdrawal of key services from suppliers	Cash flow forecasting and liquidity planning within the Investment Strategy
Significant long-term loss in the value of the investment portfolio	Impacts financial sustainability and reputational damage with donors	Appointment of Asset Risk Consultants as expert investment advisors, providing monthly performance reporting and analysis. Oversight from investment and property committees.
Grants made outside the Charity's Objects and operating guidelines	Reputational damage, loss of confidence with key stakeholders and potential trustee liability	Strong procedures and controls for processing grants. Oversight from Masonic Support and Charity Grants committees
Cyberattack on IT systems	All key operations are compromised	United Grand Lodge of England ("UGLE") and IT network providers have strong security procedures in place covering access, protection, backups and disaster recovery facilities. Mandatory cybersecurity training in place for all staff
Data protection breach	Reputational damage and significant financial penalties	Data protection policy, IT security and HR policies in place
Fraud	Financial loss, reputational damage, adverse impact upon staff	Financial procedures, segregation of duties, authority limits, IT security, increased awareness amongst staff
Unavailability of office accommodation	Operations compromised	UGLE Business Continuity Plan
Loss of paper records from fire/flooding	Breach of legal obligations, adverse impact upon operations, potential financial penalties	Reduced reliance on paper records with increased use of IT.
Lack of compliance with employment legislation	Breach of legal obligations, potential financial penalties, breakdown of staff morale and adverse impact upon service provision	HR procedures and staff handbook. Induction processes for new staff. Ongoing management training and Personal Development Review
Undue reliance on key persons	Operational breakdown, adverse impact upon staff morale, poor service to beneficiaries and potential reputational damage	HR procedures: organisational and succession planning. Comprehensive documentation of procedures and controls

Risks are actively monitored by the Executive and the senior leadership team, and formally reviewed by the audit and risk committee at their biannual meetings.

THE GRAND CHARITY

TRUSTEE'S ANNUAL REPORT

Plans for Future Periods

The Charity will continue to operate the Relief Chest Scheme as described in page 6 of this report for the foreseeable future.

As part of the corporate plan 2021/22, RCS will:

- Merge the operations of the legacy festival and donations system into the Relief Chest system.
- Move towards e-mailed receipts and acknowledgements
- Carry out a review of the Individual Relief Chest Scheme (IRCs). This will consider the overall effectiveness of the scheme in its current format and what enhancements could be made to best meet the needs of the donors.

THE GRAND CHARITY

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Statement of Responsibilities

The trustee is responsible for preparing the trustee's report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (U.K. "GAAP").

The law applicable to charities in England and Wales, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed require the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that year.

In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

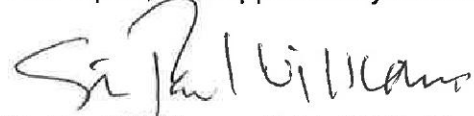
The trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution proposing that Knox Cropper LLP be reappointed as auditor will be put to the members.

Approval by Trustee

This report, was approved by the trustee on 9th September 2021 and signed on their behalf by



Sir Paul Williams, OBE, KStJ, DL

Chairman, MCF

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

We have audited the financial statements of The Grand Charity (the "Charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis of 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 trustee 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 trustee is responsible for the other information.

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustee's 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 Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 11, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THE GRAND CHARITY

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE GRAND CHARITY

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:

- The Charity is required to comply with charity law and, based on our knowledge of its activities, we identified that the legal requirement to accurately account for any restricted funds was of key significance.
- We gained an understanding of how the charity complied with its legal and regulatory framework, including the requirement to properly account for any restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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 the audit report

This report is made solely to the Charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken, so that we might state to the Charity's trustee 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 trustee as a body, for our audit work, for this report or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP
Statutory Auditor
65 Leadenhall Street
London EC3A 2AD
9th September 2021

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

THE GRAND CHARITY

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
INCOME			
Donations and legacies	2	8,446	13,199
Investment income	3	28	278
Total income		8,474	13,477
EXPENDITURE			
Charitable activities			
Masonic grants	4	(6,962)	(10,315)
Non-Masonic grants	4	(2,787)	(2,921)
Total expenditure		(9,749)	(13,236)
NET MOVEMENT IN FUNDS		(1,275)	241
Total funds brought forward		23,071	22,830
Total funds carried forward		21,796	23,071

All income and expenditure derive from continuing activities and all gains/losses are included in the statement of financial activities

The notes on pages 18 to 23 form part of these financial statements.

THE GRAND CHARITY

BALANCE SHEET as at 31 MARCH 2021

Note	March 2021 £'000	March 2020 £'000
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CURRENT ASSETS

Debtors	5	152	217
Short term deposits		19,724	21,522
Cash at bank and in hand		1,927	1,339
		<u>21,803</u>	<u>23,078</u>

CURRENT LIABILITIES

Creditors falling due within one year	6	(7)	(7)
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Total net assets

<u>21,796</u>	<u>23,071</u>
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CHARITABLE FUNDS

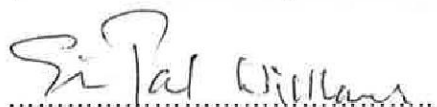
Restricted income funds

Relief Chest	21,796	23,071
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Total charitable funds

<u>21,796</u>	<u>23,071</u>
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The financial statements were approved and authorised for issue by the Trustee Board on 9th September 2021 and signed on its behalf by:


Sir Paul Williams, OBE, KStJ, DL

Chairman


Michael Heenan

Treasurer

The notes on pages 18 to 23 form part of these financial statements

THE GRAND CHARITY

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

		2021 £'000	2020 £'000
Operating Activities			
Net cash provided by/(used in) Operating Activities	A	(1,238)	(180)
Cash flows from investing activities			
Dividends and interest from investments		28	278
Net cash provided by/(used in) Investing Activities		28	278
Change in cash and cash equivalents in the reporting period		(1,210)	98
Cash and cash equivalents at the beginning of the reporting period		22,861	22,763
Cash and cash equivalents at the end of the reporting period	B	21,651	22,861
Notes on the cash flow statement			
Reconciliation of net income/(expenditure) to net cash flow from operating activities	A		
Net movement in funds as per the Statement of Financial Activities		(1,275)	241
Adjustments for:			
Dividends, interest and rents from investments		(28)	(278)
(Increase)/decrease in debtors		65	(139)
Increase/(decrease) in creditors		0	(4)
Net cash provided by/(used in) Operating Activities		(1,238)	(180)
Analysis of cash and cash equivalents	B		
Short term deposits		19,724	21,522
Cash at bank and in hand		1,927	1,339
Total cash and cash equivalents		21,651	22,861

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of The Grand Charity (the "Charity") have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). Additionally, they comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102 second edition) published in 2019 (the "SORP") in all material respects. The Charity meets the definition of a public benefit entity under FRS 102.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments, on a basis consistent with previous years. The functional currency of the Charity is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

(c) Going concern

The trustee has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustee has made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustee of the Charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustee is of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(d) Incoming resources

Revenue is recognised when the significant risks and rewards of ownership have been transferred, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Charity and when the specific criteria relating to each of the Charity's revenue channels have been met, as described below:

- i. Monetary donations are brought into account when received.
- ii. Legacies are recognised where there has been a grant of probate, the executors have identified that there are sufficient assets in the estate after settlement of liabilities to pay the legacy and any conditions attached to the legacy are either in control of the Charity or have been met. Legacies subject to the interest of a life tenant are not recognised during the lifetime of the life tenant.
- iii. Dividends are reinvested in the CAIF on the date that they are declared.

(e) Resources expended

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 any obligation can be measured reliably. All resources expended are recognised on an accruals basis, with the exception of grants as noted below.

Charitable activities are split between masonic activities and grants awarded to external institutions (designated as "non-Masonic" within the SOFA).

Masonic activities include the payment of grants directly to beneficiaries together with related welfare and support costs. Non-Masonic activities consist of the payment of grants to external institutions. Support costs are allocated to these activities on the bases laid out in note 4.

Grants are recognised as expenditure in the year in which the grant is formally approved by the Charity and has been communicated in writing to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the award.

The provision for multi-year grants is recognised at its present value when settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Charity that would permit it to avoid making future payments, settlement is probable and the effect of discounting is material. The discount rate used is the long-term return of inflation plus 4 percent used as the target for the Charity's investment portfolio.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(f) Employee benefits

All staff are employed by the parent charity, The Masonic Charitable Foundation, and no recharges are made to the Charity. Information relating to those employees is given in the accounts of the Masonic Charitable Foundation.

(g) Fund accounting

Restricted funds are subject to specific conditions imposed by the donors and/or for the purposes for which they are raised.

Unrestricted funds may be utilised for any purpose in accordance with the charitable objectives of the Charity.

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are stated at market value. All realised and unrealised gains and losses are recognised within the Statement of Financial Activities. Investments which the Charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year, which are held for investment purposes, are disclosed as current asset investments.

(i) Financial assets and liabilities

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities which qualify as basic financial instruments are initially recognised at the settlement amount after any trade discounts. They are subsequently valued at amortised cost and assessed for impairment at the end of each reporting period. Where settlement is not expected within 12 months of the balance sheet date, then the asset or liability is discounted using the long term return of inflation plus 4 percent used as the target for the Charity's investment portfolio. Basic financial instruments include debtors, cash and creditors within the balance sheet.

(j) Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are discounted to present value where the effect is material.

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(k) **Foreign currencies**

Transactions denominated in foreign currencies are translated into Pounds Sterling at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pounds Sterling at the rate ruling at the balance sheet date. All foreign exchange gains and losses, realised and unrealised, are recognised in the Statement of Financial Activities.

(l) **Taxation**

The Charity is exempt from taxation on its income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable activities. The Charity is unable to recover Valued Added Tax (VAT) incurred on expenditure. The amount of VAT that cannot be recovered is included within the underlying cost to which it relates.

2. **DONATIONS AND LEGACIES**

	2021	2020
	£'000	£'000
Donations to Relief Chest Fund	8,446	13,199
	<u>8,446</u>	<u>13,199</u>

3. **INVESTMENT INCOME**

	2021	2020
	£'000	£'000
Interest on bank deposits	28	278
	<u>28</u>	<u>278</u>

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

4. CHARITABLE ACTIVITIES

	2021 £'000	2020 £'000
Masonic		
Relief Chest	6,962	10,315
	<u>6,962</u>	<u>10,315</u>
Non-Masonic		
Armed Forces	17	45
Arts, Culture & Sport	42	25
Disaster Relief	9	28
Education	265	527
Environment, Conservation and Heritage	22	35
Health and Disability	918	1,495
Hospices	161	191
Other Charitable Purposes	277	252
Rescue Services	1,043	76
Research	33	247
	<u>2,787</u>	<u>2,921</u>

5. DEBTORS

March 2021 March 2020
£'000 £'000

Prepayments and accrued income	152	217
	<u>152</u>	<u>217</u>

6. CREDITORS

March 2021 March 2020
£'000 £'000

Falling due within one year

Accruals and deferred income	7	7
	<u>7</u>	<u>7</u>

THE GRAND CHARITY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

7. RELATED PARTY TRANSACTIONS

Under the Relief Chest Scheme the Charity has made charitable donations to the MCF and other fellow subsidiaries on behalf of its holders as set out on page 7 of the trustees' report.

The MCF has borne all the administrative costs of supporting the Charity.

8. COVID-19 PANDEMIC

The government lockdowns imposed to address the Covid-19 pandemic have resulted in lodge activities being suspended for the vast majority of the year, and this has had a significant impact upon voluntary income collected through the Relief Chest during the year. This is expected to continue until September 2021 at which time lodge and festival activities are anticipated to have returned to more normal levels.

9. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Masonic Charitable Foundation (Registered Charity No. 1164703, Company Number 09751836). Consolidated accounts for the MCF, which include the accounts of the Charity, can be obtained from the registered office of the Charity.

