

**ROYAL MASONIC TRUST FOR GIRLS AND BOYS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Charity Number: 285836

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

Contents	Page
Trustee's Annual Report	3
Statement of Trustee's Responsibilities	8
Auditor's Report	9
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

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 Royal Masonic Trust for Girls and Boys (the "Charity") and it has its registered office at 60 Great Queen Street, London, WC2B 5AZ.

Trustees

The trustee who served during the whole of the year was:

- 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)

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

TRUSTEES 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

Barclays Bank Plc, Level 28, 1 Churchill Place, Canary Wharf, London, E14 5HP

National Westminster Bank Plc, Bloomsbury Parr's Branch, 214 High Holborn, London, WC1V 7BX

Solicitors

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

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

TRUSTEES ANNUAL REPORT

Structure, Governance and Management

Organisation

The Charity was established by trust deed on 8th September 1982 by the trustees of the Royal Masonic Institution for Girls and the Royal Masonic Institution for Boys. At a meeting held on 18th February 2016, 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 assets and liabilities from the Charity were transferred to a subsidiary company of the same name (charity number 1170336 and company number 01705033; hereafter the "RMTGB Company") with effect from 1st February 2017 following a resolution from the trustees made on 15 December 2016. From that point, the Charity has ceased its charitable activities and exists solely to receive income from donations and legacies that are passed onto the RMTGB Company.

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.

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
Property (RMTGB only)	Development and execution of strategies to optimise the returns from the Charity's property portfolio	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

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

TRUSTEE'S ANNUAL REPORT

Governance and Management (continued)

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

Objectives and Activities

Objects

The objects of the Charity shall be for the relief of poverty and the advancement of education by:

- the assistance of such children (including adopted children, step-children and children of the family) of any age of Freemasons under the United Grand Lodge of Ancient Free and Accepted Masons of England as the trustees consider from time to time are in need of assistance;
- if and to the extent to which the resources of the Charity are not used for the foregoing purpose, assisting any child or children of any age whether or not the child or children of a Freemason.

These objects are now served by the RMTGB Company.

In planning the Charity's objectives for the year, the trustee has had regard to the guidance on public benefit issued by the Charity Commission.

Financial Review

Review of the Year

Income of £0.37 M (2022: £0.55 M) was received during the year from festivals and legacies. £0.37 M was transferred to the RMTGB Company leaving £ nil in the bank account at the year end.

Reserves Policy

Following the transfer of accumulated reserves to the RMTGB Company in February 2017, the Charity ceased its charitable activities. The policy is to transfer any ongoing residual income from donations and legacies directly to the RMTGB Company immediately following receipt.

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

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.

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

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.

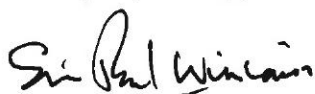
The trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and 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

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE ROYAL MASONIC TRUST FOR GIRLS AND BOYS

We have audited the financial statements of the Royal Masonic Trust for Girls and Boys (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.

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE ROYAL MASONIC TRUST FOR GIRLS AND BOYS

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 8, 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.

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE ROYAL MASONIC TRUST FOR GIRLS AND BOYS

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.

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
INCOME			
Donations and legacies	2	373	546
Total income		<u>373</u>	<u>546</u>
Transfer out to Incorporated Charity		(373)	(546)
NET MOVEMENT IN FUNDS		<u>0</u>	<u>0</u>
Total funds brought forward		0	0
Total funds carried forward		<u>0</u>	<u>0</u>

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

The notes on pages 14 to 15 form part of these financial statements

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

BALANCE SHEET as at 31 MARCH 2023

March 2023
£'000

March 2022
£'000

CURRENT ASSETS

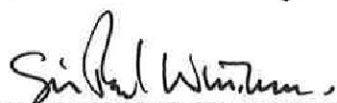
Cash at bank and in hand	0	0
Total net assets	0	0

CHARITABLE FUNDS

Unrestricted funds

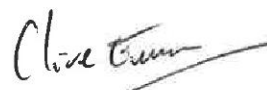
General reserves	0	0
Total charitable funds	0	0

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 14 to 15 form part of these financial statements

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements of the Royal Masonic Trust for Girls and Boys (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, 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.

The Charity ceased trading following transfer of its assets and liabilities to the RMTGB Company on 1st February 2017. All assets and liabilities were transferred at book value.

(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 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.

(d) 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.

(e) Fund accounting

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

ROYAL MASONIC TRUST FOR GIRLS AND BOYS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

(f) **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.

(g) **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 £'000	2022 £'000
Festivals	109	284
Legacies	264	262
	<u>373</u>	<u>546</u>

3. **RELATED PARTY TRANSACTIONS**

During the period donations and legacies totalling £0.37 M received by the Charity were passed on to the RMTGB Company.

The MCF has borne all the administrative costs of supporting the Charity, as well as its fellow subsidiaries.

4. **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.

