

# Grand Lodge Of Scotland Annuity Benevolent & Charity Funds

Scotland · Charity number SC001996

## Details

---

Status	Active
Legal form	Unincorporated association
Registered	1902-01-01
Register	<a href="#">View on the OSCR register</a>

## Contact

---

Address	C/O Freemasons Hall 96 George Street Edinburgh EH2 3DH
Website	<a href="http://www.grandlodgescotland.com">www.grandlodgescotland.com</a>

## Activities

---

**Activities:** 'It makes grants, donations, loans, gifts or pensions to individuals', 'It makes grants, donations or gifts to organisations', 'It carries out activities or services itself'

**Purposes:** 'the prevention or relief of poverty', 'the advancement of education', 'the advancement of citizenship or community development', 'the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage'

**What the charity does:** The Trust is committed to continuing to develop its charitable work which takes the form of: 1) providing benevolent grants for eligible Freemasons, their widows & dependents based on individual needs and requirements, 2) providing training and education to the children and dependents of Freemasons, based on needs and requirements, 3) providing grants and donations to the work of external charitable causes with each application being considered on its own merit.

**Beneficiaries:** 'Children or young people', 'Older People', 'People with disabilities or health problems', 'Other charities or voluntary bodies'

**Objectives:** (a) the prevention or relief of poverty, (b) the advancement of education (n) the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage, (f) the advancement of citizenship or community development

## Geography

---

- **Main operating location:** City of Edinburgh
- **Geographical spread:** Operations cover all or most of Scotland

## Finances

---

Period end	Income	Expenditure	Assets	Employees
2025-05-31	£769,487	£485,747	-	3
2024-05-31	£990,062	£395,889	-	2
2023-05-31	£966,215	£772,878	-	2
2022-05-31	£708,668	£741,015	-	2
2021-05-31	£592,044	£693,386	-	1

## Linked charities

---

- Lodge The Gael No 609 Benevolent Fund (SC001306)
- Lodge Cochno Benevolent Fund (SC002055)
- Lodge Roineach Mhor Downfield No 1308 Benevolent Fund (SC005442)
- Lodge Ben Cleuch No 782 Benevolent Fund (SC024270)
- Lodge St Modan Rosneath No 1015 Benevolent Fund (SC036646)

**Grand Lodge Of Scotland Annuity Benevolent & Charity Funds**

Scotland - Charity number SC001996

---

# Accounts

---

Grand Lodge of Scotland Annuity Benevolent & Charity Funds  
Year ended 31 May 2025

**GRAND LODGE OF SCOTLAND  
ANNUITY BENEVOLENT & CHARITY FUNDS**

Trustees' Report and Financial Statements

Scottish charity number SC001996

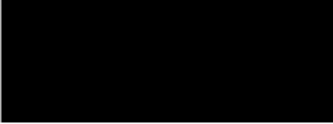
Year ended 31 May 2025

**Contents**

Reference and administrative information	2
Trustees' report	3
Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements	10
Independent Auditor's Report to the Trustees of Grand Lodge of Scotland Annuity Benevolent & Charity Funds	11
Statement of financial activities	14
Balance sheet	15
Cashflow statement	16
Notes to the financial statements	17

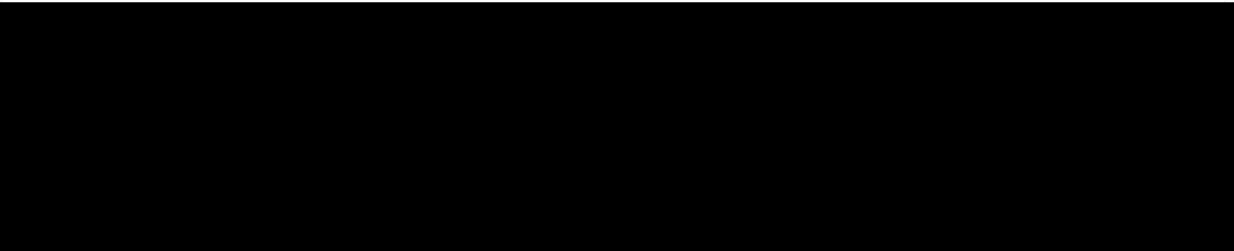
**Reference and administrative information**

**Principal Office**



**Trustees**

The Trustees of the Grand Lodge of Scotland are four of its principal Office-bearers ex officio, viz., the Grand Master Mason, the Grand Wardens and Grand Secretary and their successors from time to time in the offices. During the year to 31 May 2025 the individuals holding these offices were:



Details of the appointment procedure to these positions are outlined in the Constitution and Laws – see page 9

**Bankers**

Bank of Scotland  
104 George Street  
Edinburgh  
EH2 3DF

**Auditor**

Saffery LLP  
Level 4,  
9 Haymarket Square  
Edinburgh  
EH3 8RY

**Solicitors**

Shepherd and Wedderburn  
9 Haymarket Square  
Edinburgh EH3 8FY

**Investment Managers**

Brewin Dolphin  
144 Morrison Street  
Edinburgh EH3 8BR

Rathbones Investment  
Management Ltd  
159 New Bond Street  
London W1S 2UD

**Scottish Charity number**

SC001996

## Trustees' report

The Trustees have pleasure in submitting their annual report and the audited financial statements for the year ended 31 May 2025. In preparing the annual report and submitting the financial statements for the Benevolent Funds, the Trustees have ensured the adoption of the provisions in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Organisation has been entered into the Scottish Charity Register and is entitled, in accordance with section 13(1) of the Charities and Trustee Investment (Scotland) Act 2005, to refer to itself as a Charity registered in Scotland.

## Objectives and activities

The Trust is committed to continuing to develop its charitable work which takes the form of:

- Providing benevolent grants for eligible Freemasons, their widows and dependents based on individual needs and requirements.
- Providing training and education grants to the children and dependents of Freemasons, based on individual needs and requirements.
- Providing grants and donations to the work of external charitable causes with each application being considered on its own merits.

During the financial year to 31<sup>st</sup> May 2025, the Benevolence and Care Committee met in August and November 2024 and in March 2025. Meetings of the Board of Benevolence and Masonic Homes took place in September and December 2024 and in April 2025.

A formal Minute was produced for all meetings and gives a detailed account of the items discussed and the recommendations and decisions which were made.

## MASONIC GRANT-GIVING ACTIVITIES

As part of the annual review and in response to prevailing economic factors, the Benevolence and Care Committee took the following action -

- Reviewed the Eligibility Scales for the calculation of First-time and Annual grants and agreed to maintain the status quo in respect of the calculation of First-time and Annual Grants.
- Agreed that no uplift would be applied to the level of existing Annual Grants.
- Agreed that an uplift be applied to the level of grants awarded under the Special Training Scheme to increase the maximum and standard award to £750 whilst retaining flexibility to enable the Committee to allocate sums up to this level should the circumstances of applicants be considered not to warrant a full grant.
- Agreed that, following the sale of the Masonic Homes, the charitable activities of Grand Lodge be reviewed and revised to ensure that the provision best meets the needs of members.

As has been noted within previous Reports from the Trustees, there has been an ongoing decline in the number of applications for Masonic benevolence, including First-time grants, Annual Grants and Training grants, all of which have decreased considerably in recent years, and this trend continued in the financial year. To review this matter in more detail, the Committee has appointed a Working Party comprising Grand Almoner and Immediate Past Grand Almoner, assisted by the Homes and Charities Manager. It has been agreed that work in this regard will be undertaken as soon as possible and practicable, however, it is noted that this was not possible during the financial year due to staff sickness and remaining staff time being fully engaged in delivering other priorities. Additionally, following the agreement to move away from the provision of direct care via the Scottish Masonic Homes, an Ad-hoc Working Group has been appointed to carry out a wider review of the charitable work of Grand Lodge, including the activities of this entity, to ensure that future benevolent provision best meets the needs of members of the Organisation.

**Trustees' report** *(continued)*

**NON-MASONIC BENEVOLENCE ACTIVITIES**

**PROSTATE SCOTLAND –**

Prostate Scotland has remained as the nominated Charity for Grand Lodge, however, as indicated in the Trustees' Report last year, the assistance being provided is being channelled in three directions, under the banner of Prostate Scotland Legacy Projects, as follows, and this arrangement has continued during the financial year -

**The PROSPACK Initiative -**

The support of the PROSPACK initiative over a 5 years' period in respect of the provision of surgical packs, radiotherapy/brachytherapy packs and chemotherapy packs, with the exclusion of BPH packs meantime but incorporating a planned review of the position after 2 years of operation. This initiative was launched at Raigmore Hospital in Inverness in November 2023. The project distributes four variants of the PROSPACK depending on the procedure being carried out on the patient. During the financial year, packs were provided to and distributed from the urology departments of a number of hospitals and during this financial year more hospitals have been added.

**Research –**

The support of the 'Living with BPH' and 'Living with Prostatitis' research projects, with one project being funded in year one and the other project in year 2, the estimated cost for each being £48,917 and £48,341, respectively. Whilst initially it was hoped to develop this in conjunction with a university, it has now been agreed that the Charity will actively recruit a suitable person to a fixed term, funded research appointment. The recruitment process is now underway and is expected to be completed early in the next financial year.

**Prostate Champions -**

Grand Lodge has been working with Prostate Scotland to establish in each Province and District at least one Prostate Champion. Each Province, District and Grand Superintendency has been asked to nominate a member who will receive training from the Charity to enable them to be a source of guidance, information and support in their local areas. This initiative has proved to be very successful, there being more than 60 Prostate Champions who have completed training and are raising awareness of prostate disease and the treatments which are available, as well as signposting sources of help and support, both within and out with Freemasonry, in their local areas.

**Fundraising –**

Whilst not to the same degree as during the 'Make it a Million' initiative, members of the Organisation continue to support Prostate Scotland with donations and fund-raising initiatives are continuing. By way of example, during the financial year, a member of a Lodge in the Province of Stirlingshire undertook a sponsored walk which raised the sum of £30,000 for the Charity.

**POPPYSCOTLAND**

Support for the annual Little Remembrance Cross Campaign which is organised by PoppyScotland has continued. This campaign has seen a commemorative cross to represent each Home Lodge having each year being placed in the Garden of Remembrance in Princes Street, Edinburgh and it has been agreed to maintain this participation. Although support for this Charity commenced a number of years prior to Grand Lodge's membership of the Armed Forces Covenant, it is of course particularly relevant to our charitable work in this area.

**Trustees' report (continued)**

**ARMED FORCES COVENANT**

**Background**

To commemorate and celebrate the commitment which had been made to support the Armed Forces Covenant, a special event was held in Freemasons' Hall on 6<sup>th</sup> November 2023 which was attended and enjoyed by approximately 100 invited guests. In addition to the signing of the Covenant, the Bronze accreditation was also awarded at this event. Grand Lodge was proud to attain the Silver Award, having applied in April 2024. This prestigious accolade is the second-highest badge of honour available to organisations that employ and support Reservists, service leavers, Cadet Force Adult Volunteers and their families. The Grand Master Mason and the Homes and Charities Manager attended a presentation ceremony in October at The City of Glasgow College, Riverside Campus to accept the Award on behalf of Grand Lodge.

**Event in Freemasons' Hall on 24<sup>th</sup> April 16, 2025**

As part of our commitment to honouring Grand Lodge's membership of the Armed Forces Covenant, a very successful event was hosted in Freemasons' Hall, the aim of which was to assist members of the armed forces community who are leaving the services to transition to civilian life, specifically by highlighting employment opportunities in project management via the providing a chance for them to meet with a number of large and small employers. The event was organised in conjunction with the Association of Project Managers, The Officers Association Scotland and Career Transition Partnership (who are currently transitioning into the Forces Employment Charity). A number of large employers had stands on the day and representatives from our Charity partners also had a stand. A full programme, including a selection of guest speakers was arranged, and the Grand Master Mason gave the welcome address which included the history of Freemasons' Hall. Feedback from the day was very positive with just over 100 attendees being present.

**Examples of Armed Forces Covenant Engagement during the Financial Year:**

- (i) Sponsorship of an award under the Cadet Adult Recognition Scheme as follows:
- (ii) 'Sea Cadets East: sponsored by The Grand Lodge of Antient Free and Accepted Masons of Scotland' – The Committee was delighted to support this worthwhile award and intimated that it would be happy to do so in future years. Arrangements will be made to keep in touch with the Unit, and it was agreed that a sum of £500 be awarded towards ongoing projects.
- (iii) Provincial Grand Lodge of The Scottish Borders support and support by Lodge Dunse, No.23 for a Lowland Reserve Forces' & Cadets' Association Event – the level of local masonic support which was received for this event was excellent and the Committee expressed thanks to all who had been involved.
- (iv) Armed Forces Covenant Event - The Homes and Charities Manager was pleased to attend a lunch in the Officers' Mess at Edinburgh Castle at the beginning of November. This was hosted by the Lowland Reserve Forces' and Cadets' Association and provided an opportunity for meaningful discussion as well as a platform to exchange ideas on how member organisations could work individually and collectively to best support the Armed Forces community.
- (v) Armed Forces Covenant Event - Grand Almoner attended an event designed to equip and inspire this year's Employer Recognition Scheme Silver and Gold Award winners as they seek to progress on their Covenant journeys with a view to honouring their commitment to support the Armed Forces community.
- (vi) Personnel Recovery Unit - The sum of £2,000 was donated to the Personnel Recovery Unit to assist with the excellent welfare projects which are being delivered by the Unit over and above the support services and training which are provided to assist with transition to civilian life and a return to duty after sick leave. A visit to the Unit allowed Grand Almoner and the Homes and Charities Manager to see the facilities first hand.

**Combat Stress Collaboration**

As part of the ongoing commitment to the Armed Forces Covenant, Grand Lodge was pleased, during the financial year, to begin a relationship with Combat Stress, a charity which provides support for veterans with complex trauma-related mental health issues arising from military service, such as PTSD, complex PTSD, anxiety and depression. The Committee was pleased to endorse a collaboration whereby a communication would be issued to Provincial Grand Lodges by Grand Lodge giving details of the work of the charity and requesting that the information be shared with daughter Lodges. Any Lodges interested in inviting the charity to make a presentation could then do so directly and there has already been uptake by several Lodges.

**Trustees' report** *(continued)*

**NATIONAL LITERACY TRUST**

The first stage of Grand Lodge's collaboration with The National Literacy Trust is a pilot project to develop and train local Masonic Literacy Champions in which the Provinces of Fife and Kinross, Forfarshire, Perthshire East and Perthshire West are participating. This promises to be an exciting opportunity to enable The Scottish Craft to make a meaningful contribution to highlighting the importance of literacy and improving literacy levels in their areas, which would be achieved via the development of a masonic volunteering model. We are delighted that 8 volunteers have come forward from across the four pilot Provinces and, having received training from the Trust, have now successfully commenced engagement in their masonic circles and in their local communities. Although the two initiatives are very different, the concept and development of the masonic volunteering model for this project will be on a similar basis to the Prostate Champions. We hope that we can use this experience in a positive way as we progress with the Literacy Champion planning. Whilst there are clear parameters which everyone will require to be mindful of, we have learned from other projects that each Province has its own identity which is based on many different factors so local knowledge will be key to making sure that there is an approach which is right for each area and the Masonic Literacy Champions are adapting their presentations and engagement to suit whilst following the guidance in the Masonic Literacy Champion Handbook which has been developed for their use and applying their training from the National Literacy Trust. As well as support from the Charity and from Grand Lodge, an environment where masonic volunteers from the participating Provinces are able to share their experiences, discuss ideas and generally use each other as a sounding board is being encouraged and a shared WhatsApp Group, which is working well, has been instigated for this purpose.

**SCOTTISH MASONIC BURNS AND FREEMASONRY PhD**

To take this collaboration with the University of Glasgow forward whereby the Grand Lodge of Scotland agreed to sponsor a PhD course as above, the Scottish Masonic Scholarship PhD Scholar was selected from a competitive field of candidates to undertake The Scottish Masonic Scholarship on the topic of Burns and Freemasonry. The Scholarship is 3 years' course, and the successful candidate commenced work within the financial year by visiting Freemasons' Hall and spending time in the museum and library. The scholar gave a short presentation on his background and his research plans at the Festival of Saint Andrew dinner which was very well received. Several individual members, daughter Lodges and Provinces within the Scottish Craft have extended offers of help to him along with invitations to view materials of interest; he is most grateful for this interest in his work and has pursued these invitations as his research develops. This is a history-making project for Grand Lodge and all those involved have been delighted to progress this collaboration with the University of Glasgow to take this venture forward. Based on the press release from the University of Glasgow, an excellent and interesting article was published in December 2024 in The Glasgow Herald which brought a very positive response.

**CHARITY TABLE AT THE FESTIVAL OF SAINT ANDREW**

It was pleasing to have almost all of our charity partners and collaborators represented at the 2024 Festival of Saint Andrew dinner where a special table was hosted by Grand Almoner and the Homes and Charities Manager. The guests had a thoroughly enjoyable and enlightening evening and, importantly, many members who attended came to introduce themselves and make face to face contact. The Charity Table 'brought to life' the charitable collaborations and special projects which are ongoing. The concept proved to be a very good addition to the Festival celebrations, and it is intended that it will continue.

**FUTURE DEVELOPMENT AND STRATEGY**

**PROSTATE SCOTLAND**

The Prostate Champion initiative, the Research Programme and the ongoing work which has been agreed with Prostate Scotland as part of the five-years legacy plan will continue.

## **Trustees' report (continued)**

### **ARMED FORCES COVENANT**

The Trust will continue its Armed Forces Covenant journey with a view to working towards attainment of the Gold Award level in 2026.

#### **Plans in the pipeline as work continues towards attaining the Gold Award in 2026 include:**

- The use of Freemasons' Hall for further Cadet and Reservist Events
- Establishing an Armed Forces Champion or Champions
- Strengthening any initial links with one or more Cadet Units in different geographical locations
- Further development of support for projects with Armed Forces Charities – financial and collaborative
- Development of projects with Armed Forces Charities – practical and collaborative
- Spearheading a project leading to meaningful collaboration with daughter Lodges and Provinces to support the Covenant
- Enhancing the Masonic participation with the Armed Forces covenant in Scotland via encouraging advocacy support for the Covenant among members of the Scottish Craft
- Developing a relationship and maintaining contact with Sea Cadets East
- Maintaining links with the Personnel Recovery Unit
- Continued support for the Cadet Adult Recognition Scheme
- Development of the relationship with Combat Stress

### **NATIONAL LITERACY TRUST COLLABORATION**

Plans are in place to progress the collaboration with The National Literacy Trust and there will be ongoing liaison with the Charity to continue the pilot scheme which has been agreed. The Masonic Literacy Champions are already actively and enthusiastically progressing their roles to deliver the stated aims of the project. As the pilot moves forward and develops, it is being tailored in accordance with feedback from the Champions and with input from the project co-ordinators from the National Literacy Trust who are closely involved in all aspects of the collaboration. It is planned, at the conclusion of the pilot, to measure the success of this initiative in order to inform consideration of extending this, on a phased basis, in other Provinces.

### **SCOTTISH MASONIC BURNS AND FREEMASONRY PHD**

The PhD scholar, with the support of his supervising professors, is working towards plans to develop his research and widen his collaboration with Masonic sources of information and materials. A planning meeting will take place during the next financial year to agree next steps which will include a potential event in Freemasons' Hall and a number of other projects.

### **REVIEW OF CHARITABLE ACTIVITIES**

A Working Party has been appointed comprising Grand Treasurer and Grand Almoner (initially), assisted by the Homes and Charities Manager, to consider the Prize draw and 2000 Club Grand Lodge fund-raising initiatives with a view to these being rebranded, updated and in due course relaunched. Work will be progressed in this area as soon as possible and practicable, however, this was not achievable during the financial year due to staff time being fully engaged in delivering other priorities.

The review of Masonic benevolence, including First-time grants, Annual Grants and Training grants, all of which have decreased considerably in recent years, will be completed as soon as possible and practicable by a Working Party comprising Grand Almoner and the Immediate Past Grand Almoner, assisted by the Homes and Charities Manager.

The Trust looks forward to continuing to support worthwhile external charities and the Benevolence and Care Committee will review the method by which applications from charities are brought forward for presentation to the Committee. The Working Party which was appointed to review the way in which external charitable giving is managed continues its work in this regard.

### Trustees' report (continued)

An agreement was in place granting an option to a preferred Developer in relation to the future sale of land at Dunblane, which it was anticipated would generate significant funds. However, the nominated Developer was placed into administration in April 2011 and the option has now expired. Title to the land has been retained by the Grand Lodge of Scotland Annuity Benevolent and Charity Funds and it is not anticipated that there will be any further sales in the near future. The revenue arising from any future disposal of land at Dunblane will be held within the Benevolent and Charity funds. A formal valuation of the land was obtained by the Benevolence and Care Committee in March 2018 and whilst a decision was reached not to sell any part of the land, the position will remain under review. Notwithstanding, whilst a decision has been reached not to dispose of the land on a 'piecemeal' basis, any intimations of interest or offers which may be received are, nonetheless, presented to the Committee for consideration. It has been agreed that the continued ownership, or otherwise, of the land at Dunblane will be reviewed as part of the wider review of Grand Lodge charitable activities.

It should be noted, in relation to the preceding four paragraphs, that it has been agreed that the charitable work of Grand Lodge, including the activities of this entity, require to be reviewed to ensure that future benevolent provision best meets the needs of members of the Organisation. It is likely that the reviews above will be incorporated in the wider overall review. There are a number of factors which require to be considered during this process, and it was further agreed that the most effective way to expedite matters would be to set up an Ad Hoc Working Group, on which it was considered essential, for completeness, that both the Benevolence and Care and the Administration Committees are represented. It was further agreed that, as a starting point, Grand Treasurer, Grand Almoner and Grand Secretary would consider the makeup of this Working Group, with external expertise being co-opted as required. This next step was reported to and agreed by the Board of Benevolence and Masonic Homes in April 2025.

### GENERAL

The Benevolence and Care Committee, in addition to the work in this area via the Armed Forces Covenant, will consider how best to continue its commitment to the Mental Health and Wellbeing Initiative and a decision will be taken in due course as to exactly what form this will take.

The Benevolence and Care Committee will consider how best to continue its commitment to the Dementia Awareness Initiative, and a decision will be taken in due course as to exactly what form this will take.

The lease held by the present tenant of 94A George Street will conclude in September 2025 and a new tenant has been agreed. The terms and conditions of the lease agreement have been negotiated with the assistance of Grand Lodge lawyers. The tenant will carry out a considerable amount of work to bring the premises up to a high-end specification which meets its brand standard.

A lease, which has been drafted by Grand Lodge lawyers in accordance with the instruction from the Administration Committee, is being finalised to allow the rental of two office areas and appropriate common areas by The Supreme Grand Royal Arch Chapter. The agreement is expected to be finalised in the early part of next financial year.

### Financial review

The overall financial position of the Trust remains satisfactory. Net incoming resources for the year to 31 May 2025, before losses/gains on investments amounted to £208,740 (2024- net incoming resources - £594,173). The main reason for the reduction in net incoming resources was due to the previous year including significant legacies which were not repeated in the current year. Net incoming resources after net gains on investments amounted to £499,022 (2024 - £1,383,747)

The investment policy is to maximise the overall rate of return within acceptable risk parameters and the portfolio is regularly monitored by the Administration Committee in conjunction with advice from professional investment advisors.

The reserves of the Trust as at 31 May 2025 were £16,580,087 (2024 £16,081,065). The reserves policy of the Trust is to retain sufficient free reserves to meet obligations to beneficiaries, and to generate growth and income that can meet future grant requirements. The Trust does not have any free reserves as all reserves have been restricted split between the three core purposes of the Trust.

**Trustees' report** *(continued)*

**Risk management**

The Benevolent and Care Committee regularly examines the major risk factors to the Trust in not achieving its objectives, both operational and financial, and confirms that systems are reviewed to ensure mitigation of those risks. The principal financial risk is that there is insufficient income and capital growth to meet the grant requirements of the Trust, this is mitigated through an investment strategy which has a mix of asset classes and has been designed to provide the required level of return. The risk that a grant is awarded to individual or organisation which does not have a genuine need is mitigated via a reporting system, using, in each case, the Lodge with which there is a connection or, if appropriate a Masonic Representative in the local area. Risk assessments will be undertaken as required and a revised risk management strategy put in place in respect of any new services which are introduced on completion of the work of the Ad Hoc Working Group which has been established to review charitable activities.

**Structure, governance and management**

The Grand Lodge of Antient Free and Accepted Masons of Scotland (hereinafter referred to as Grand Lodge) was constituted in 1736 and its objectives, organisational structure, together with legal and administrative arrangements, are governed by its Constitution and Laws, copies of which are available for consultation at the principal address of the Organisation, which is Freemasons' Hall, 96 George Street, Edinburgh EH2 3DH.

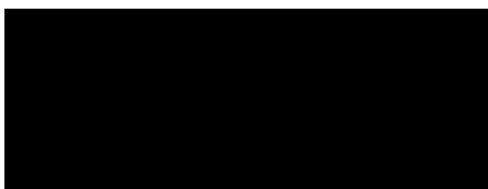
The Trustees of Grand Lodge are four of its principal Office-bearers ex officio, viz., the Grand Master Mason, the Grand Wardens and Grand Secretary and their successors from time to time in the offices. The appointment procedures of these positions are outlined in the Constitution and Laws.

The strategic direction of Grand Lodge of Scotland Annuity Benevolent & Charity Funds ("the Trust") is vested in the members of Grand Lodge assembled from time to time and management is supervised by the Board of Benevolence and Masonic Homes and the Benevolence and Care Committee, together with support from the Administration Committee, and given effect to on a day to day level by the Grand Secretary and other professional staff. Key Management remuneration is set by the Trustees using benchmark information and reviewed annually.

**Disclosure of information to auditor**

The trustees who held office at the date of approval of the Trustee's Report confirm that, so far as they each are aware there is no relevant audit information of which the trust's auditor is unaware; and each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the trust's auditor is aware of that information.

**Auditor:** Saffery LLP was appointed in March 2025.



Trustee

\_\_\_\_\_ 2025

### **Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements**

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charity and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the trustees of Grand Lodge of Scotland Annuity Benevolent & Charity Funds**

We have audited the financial statements of Grand Lodge of Scotland Annuity Benevolent & Charity Funds for the year ended 31 May 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statements and notes to the financial statements, including 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 May 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 requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 course of 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 this gives rise to 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.

**Independent auditor's report to the trustees of Grand Lodge of Scotland Annuity Benevolent & Charity Funds**  
(continued)

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements;  
or
- the charity has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Office of the Scottish Charity Regulator.

**Independent auditor's report to the trustees of Grand Lodge of Scotland Annuity Benevolent & Charity Funds**  
(continued)

**Audit response to risks identified:**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.


During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Saffery LLP**  
**Statutory Auditors**  
Level 4  
9 Haymarket Square  
Edinburgh  
EH3 8RY  
2209 2025

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Statement of financial activities  
for the year ended 31 May 2025**

	Note	Total Restricted Funds 2025  £	Total Restricted Funds 2024 as restated  £
<b>Income and endowments from:</b>			
Donations and legacies	2	272,415	480,270
Investments	3	497,072	509,792
<b>Total</b>		<u>769,487</u>	<u>990,062</u>
<b>Expenditure on:</b>			
Raising funds – Investment management fees		55,713	52,491
Charitable activities	4	430,034	277,398
<b>Total</b>		<u>485,747</u>	<u>329,889</u>
Net gains/(losses) on investments		290,282	789,574
<b>Net income</b>		<u>574,022</u>	<u>1,449,747</u>
<b>Other recognised gains</b>			
Actuarial gains on defined benefit pension schemes	14	185,000	125,000
Effect of pension asset ceiling		(260,000)	(191,000)
<b>Net movement in funds</b>		<u>499,022</u>	<u>1,383,747</u>
Total funds brought forward		16,081,065	14,697,318
<b>Total funds carried forward</b>		<u>16,580,087</u>	<u>16,081,065</u>

All gains and losses recognised in the year are included above.

The notes on pages 17 to 28 form part of these accounts.

Grand Lodge of Scotland Annuity Benevolent & Charity Funds  
Year ended 31 May 2025

**Balance sheet**  
*as at 31 May 2025*

		2025	2024
		£	£
<b>Fixed assets</b>	<b>Note</b>		
Investments	9	13,039,163	12,774,257
<b>Current assets</b>			
Debtors	10	351,896	789,303
Cash at bank and in hand		<u>3,441,473</u>	<u>2,920,825</u>
		<b>3,793,369</b>	<b>3,710,128</b>
Creditors: amounts falling due within one year	11	<u>(252,445)</u>	<u>(403,320)</u>
<b>Net current assets</b>		<b>3,540,924</b>	<b>3,306,808</b>
<b>Net assets</b>		<u><b>16,580,087</b></u>	<u><b>16,081,065</b></u>
<b>Funds</b>			
Restricted funds	12	<u><b>16,580,087</b></u>	<u><b>16,081,065</b></u>

**Grand Secretary,**  
..... 2025

**Trustee**

The notes on pages 17 to 28 form part of these accounts.

**Cash flow statement**  
**For the year ended 31 May 2025**

	2025 £	2024 £
<b>Reconciliation of net expenditure to net cash flow from operating activities</b>		
Net income (as per the statement of financial activities)	499,022	1,383,747
Adjustments for:		
Investment income	(497,072)	(509,792)
Net gain/(loss) on investments	(290,282)	(789,574)
Decrease/(increase) in debtors	437,407	(714,698)
Decrease in creditors due within one year	(150,875)	(6,359)
<b>Net cash outflow from operating activities</b>	<u>(1,800)</u>	<u>(636,676)</u>
<b>Cash flows from investing activities:</b>		
Investment income	497,072	509,792
Payments to acquire investments	(1,745,239)	(1,978,435)
Proceeds from sales of investments	1,770,615	2,030,533
<b>Net cash provided by investing activities</b>	<u>522,448</u>	<u>561,890</u>
<b>Increase/(decrease) in cash and cash equivalents in the reporting period</b>	<b>520,648</b>	<b>(74,786)</b>
<b>Cash and cash equivalents at 1 June 2024</b>	<u>2,920,825</u>	<u>2,995,611</u>
<b>Cash and cash equivalents at 31 May 2025</b>	<u>3,441,473</u>	<u>2,920,825</u>

## **Notes to the financial statements**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of investments held for investment purposes at market value.

The Trust is a public benefit entity and the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements are prepared in £ sterling which is functional currency of the charity rounded to the nearest pound.

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

#### **Funds**

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

- Restricted funds are funds subject to specific conditions, which may be declared by the donors or with their authority or created through legal processes, but still within the wider objects of the charity. The conditions for the restricted funds can be found in Note 12.
- Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity. If part of the unrestricted funds is earmarked at the discretion of the Trustees for a particular purpose, it is designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Trustees' discretion to apply the fund.

#### **Income**

All income is included in the statement of financial activities when the Trust is entitled to the income and the amount can be quantified with reasonable accuracy and receipt is probable.

#### **Expenditure**

Expenditure is recognised on the accruals basis and allocated to the relevant category of expenditure as appropriate. Expenditure includes irrecoverable VAT. Expenditure on raising funds includes the costs incurred in generating voluntary income, fundraising, donations and gifts, and investment management costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

#### **Grants payable**

Grants payable are charged to the statement of financial activities in the year in which they are approved. Grants are paid by the Scottish Masonic Benevolent Fund for the benefit of individuals and by the Scottish Masonic General Relief Fund for the benefit of individuals and charities.

#### **Support costs**

Support costs are allocated to charitable activities, costs of generating funds and governance costs on the bases shown in note 4.

#### **Investments and investment income**

Investments are stated at fair value. Gains and losses are shown through the statement of financial activities and unrealised gains transferred to investment reserve. Investment income, including bank interest, is accounted for when receivable.

#### **Investment property**

Investment property is stated at fair value and reviewed annually. The fair value is based on valuations carried out by an independent valuer.

**Notes to the financial statements (continued)**  
*(forming part of the financial statements)*

**1 Accounting policies (continued)**

**Debtors**

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash**

Cash at bank and in hand includes cash and highly liquid short-term investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Taxation**

The Trust is recognised by HM Revenue & Customs as a charity for the purposes of the Corporation Tax Act 2010, part 11 and is exempt from income and corporation tax on its charitable activities.

**Post-retirement benefits – defined contribution pension scheme**

The Trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The amount charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period.

**Post-retirement benefits – defined benefit pension scheme**

The Trust operates a pension scheme providing benefits on final pensionable pay which was closed to new entrants in 2003. The assets of the scheme are held separately from those of the charity being invested within insurance companies.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus is recognised to the extent that it is recoverable.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between charitable activities in the statement of financial activities and in the other recognised gains and losses section of the statement of financial activities actuarial gains and losses.

**Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the trustees have made the following judgements:

- Determine whether leases entered into by the group as a lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Investment properties are valued using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

The value of the surplus/deficit in the defined benefit pension fund is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the liabilities such estimates are

**Notes to the financial statements** *(continued)*  
*(forming part of the financial statements)*

**1 Accounting policies** *(continued)*

subject to significant uncertainty. In determining the discount rate management consider the interest rates of corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The morality rate is based on publicly available mortality tables. Future pension increases are based on expected future inflation rates. Where the fund is in surplus the charity has not recognised this asset in the financial statements on the basis they do not believe they have an unconditional right to realise this surplus, either through a refund or a reduction in future contributions.

**Notes to the financial statements (continued)**  
**(forming part of the financial statements)**

**2 Income from donations and legacies**

	2025	2024
	£	£
Donations	173,532	201,729
Legacies	96,457	272,500
Fundraising income	2,426	6,041
	<u>272,415</u>	<u>480,270</u>

**3 Income from investments**

	2025	2024
	£	£
Dividend & bank interest income	363,018	375,738
Rental income from investment property	134,054	134,054
	<u>497,072</u>	<u>509,792</u>

**4 Expenditure on Charitable activities**

	Direct costs (note 8)	Grants payable (note 5)	Support costs (note 6)	2025 Total	2024 Total as restated
	£	£	£	£	£
Scottish Masonic Homes Fund	-	-	8,341	8,341	774
Scottish Masonic Benevolent Fund	63,259	85,245	208,153	356,657	222,179
Scottish Masonic General Relief Fund	-	64,812	224	65,036	54,445
	<u>63,259</u>	<u>150,057</u>	<u>216,718</u>	<u>430,034</u>	<u>277,398</u>

**5 Grants payable**

	Grants to Institution		Grants to Individuals	
	Number	£	Number	£
<b>Scottish Masonic Homes Fund</b>				
<b>Scottish Masonic Benevolent Fund</b>	4	39,050	59	46,195
The major grants payable in the year were:				
University of Glasgow- burns scholarship	30,000			
<b>Scottish Masonic General Relief Fund</b>	9	64,812		
The major grants payable in the year were:				
Prostate Scotland	20,000			
National Literacy Trust	25,000			

Notes to the financial statements (continued)  
(forming part of the financial statements)

**6 Allocation of support costs**

<i>Activity</i>	Scottish Masonic Homes Fund	Scottish Masonic Benevolent Fund	Scottish Masonic General Relief Fund	2025 Total	2024 Total
	£	£	£	£	£
Administration charge	-	166,769	-	166,769	170,454
Miscellaneous expenses	-	1,707	-	1,707	17,380
Professional fees	5,774	11,950	-	17,724	-
Accountancy fees	-	5,484	-	5,484	-
Audit fees (per note 7)	-	15,600	-	15,600	-
Repairs & maintenance	2,500	6,182	-	8,682	-
Bank charges	67	461	224	752	-
	<u>8,341</u>	<u>208,153</u>	<u>224</u>	<u>216,718</u>	<u>187,834</u>

**7 Governance costs**

	2025 £	2024 £
Auditor's remuneration	<u>15,600</u>	<u>15,980</u>

**8 Staff costs**

	2025 £	2024 as restated £
Salaries	116,386	46,844
Social security costs	6,078	4,707
Pension contributions – Defined contribution	493	1,480
Pension contributions - Defined benefit	10,899	7,762
Pension costs – Defined benefit scheme	4,403	2,883
	<u>138,259</u>	<u>63,676</u>
FRS 102 fair value adjustment – net interest costs	<u>(75,000)</u>	<u>(66,000)</u>
	<u>63,259</u>	<u>(2,324)</u>

An average of 2 person (2024 – 1 persons) was employed in respect of the Scottish Masonic Homes Fund. There was 1 person (2024 – 1 person) employed in respect of the Scottish Masonic Benevolent Fund during the year.

There are no staff costs attributed to the Scottish Masonic General Relief Fund.

No employee received remuneration in excess of £60,000.

Trustees received neither remuneration nor reimbursement of expenses in their role as Trustees.

**Notes to the financial statements (continued)**  
**(forming part of the financial statements)**

**9 Fixed asset investments**

	Investment property	Listed Investments	Total 2025	Investment property	Listed Investment s	Total 2024
	£	£	£	£	£	£
Fair value beginning of year	2,725,000	10,049,257	12,774,257	2,725,000	9,311,781	12,036,781
Additions at cost	-	1,745,239	1,745,239	-	1,978,435	1,978,435
Disposals at opening fair value	-	(1,718,568)	(1,718,568)	-	(2,001,185)	(2,001,185)
	<b>2,725,000</b>	<b>10,075,928</b>	<b>12,800,928</b>	<b>2,725,000</b>	<b>9,289,031</b>	<b>12,014,031</b>
Unrealised gain/(loss) in year	-	24,235	24,235	-	760,226	760,226
Revaluations in the year	214,000	-	214,000	-	-	-
	<b>2,939,000</b>	<b>10,100,163</b>	<b>13,039,163</b>	<b>2,725,000</b>	<b>10,049,257</b>	<b>12,774,257</b>
Historical cost at end of year	<b>2,400,000</b>	<b>8,240,449</b>	<b>10,640,449</b>	<b>2,400,000</b>	<b>7,944,661</b>	<b>10,344,661</b>

Investment property represents the charity's beneficial interest in 94 and 94A George Street, Edinburgh and property in East Sussex which were subject to revaluation on an open market basis subsequent to the year end. The Trustees are satisfied that this value is the fair value representation as at 31 May 2025.

The charity has title to land at Dunblane that was donated several years ago. The trustees believe the current value of this land is not material and as such is not included in the financial statements.

	2025 £	%	2024 £	%
Fixed asset investments are represented by:				
UK equities	4,585,128	45.4	3,961,590	39.4
Overseas equities	5,219,899	51.7	5,171,387	51.5
	<b>9,805,027</b>	<b>97.1</b>	<b>9,132,977</b>	<b>90.9</b>
Fixed interest securities	295,136	2.9	916,280	9.1
	<b>10,100,163</b>	<b>100.00</b>	<b>10,049,257</b>	<b>100.00</b>

There are two individual investments of £537,611 & £587,071 in overseas exchange traded funds which are 5.3% & 5.8% respectively of the total portfolio. There are no other individual investments which make up over 5% of the portfolio.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility to growth. Liquidity risk is anticipated to be low as listed investments are traded in markets with good liquidity and high trading volumes and this is expected to continue. The Charity invests in pooled investment vehicles and is therefore directly exposed to credit risk. This risk is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and diversification of investments amongst a number of pooled funds. Market risk arises principally in relation to equities held in the pooled vehicles. The Charity manages this exposure to market risk by constructing a diverse portfolio of investments across various markets and by retaining expert advisors to manage its investment portfolio.

**Notes to the financial statements (continued)**  
**(forming part of the financial statements)**

10 Debtors – Due within one year	2025	2024
	£	£
Scottish Masonic Homes Limited	327,247	720,638
The Grand Lodge of Scotland General Fund	15,182	14,124
Accrued income	9,467	54,541
	<b>351,896</b>	<b>789,303</b>

11 Creditors – Due within one year	2025	2024
	£	£
The Grand Lodge of Scotland General Fund	166,768	170,454
Accruals	85,677	232,866
	<b>252,445</b>	<b>403,320</b>

12 Statement of funds	As at 1 June 2024	Income	Expenditure	Investment gains/ ( losses)	As at 31 May 2025
	£	£	£	£	£
Scottish Masonic Homes Fund	5,222,183	206,344	(66,067)	51,663	5,414,123
Scottish Masonic Benevolent Fund	7,944,843	469,304	(418,844)	231,365	8,226,668
Scottish Masonic General Relief Fund	2,846,353	93,839	(75,836)	7,254	2,871,610
John Forrest Trust	67,686	-	-	-	67,686
	<b>16,081,065</b>	<b>769,487</b>	<b>(560,747)</b>	<b>290,282</b>	<b>16,580,087</b>
	As at 1 June 2023	Income	Expenditure	Investment gains/ (losses)	As at 31 May 2024
	£	£	£	£	£
Scottish Masonic Homes Fund	4,577,979	245,744	(28,185)	426,645	5,222,183
Scottish Masonic Benevolent Fund	7,396,372	641,761	(302,748)	209,458	7,944,843
Scottish Masonic General Relief Fund	2,655,281	102,557	(64,956)	153,471	2,846,353
John Forrest Trust	67,686	-	-	-	67,686
	<b>14,697,318</b>	<b>990,062</b>	<b>(395,889)</b>	<b>789,574</b>	<b>16,081,065</b>

The figures above are presented gross and do not include the effect of the accounting for the FRS 102 defined benefit pension scheme which has no overall impact on the fund balances as the asset is not recognised.

**Notes to the financial statements (continued)**  
**(forming part of the financial statements)**

**Purpose of Funds**

The Scottish Masonic Homes Fund has as its purpose the provision of Masonic Homes for indigent members who are aged and worthy, their dependants, and such other cases as may be deemed necessitous, and the building, altering, furnishing, equipping and maintaining of such Homes and the maintenance of the Residents therein.

The Scottish Masonic Benevolent Fund provides that the available income of the fund, as defined within the Constitution and Laws, shall be devoted, by way of grants, to members or their dependants who are in straitened financial circumstances.

The Scottish Masonic General Relief Fund provides that the income of that fund shall be available to alleviate distress among members or their dependants, to make contributions to international, national or local disaster funds or emergency appeals, community projects, such other good causes as Grand Lodge may approve and to make grants or contributions to augment any other benevolent fund of Grand Lodge.

**The John Forrest Trust**

The immediate object of this Trust is to provide means for the education and start in life of orphan children of Scottish Freemasons (even though their mother may be alive), preference to be given to the children of deceased "Freemasons who have been members of the learned professions such as, but not necessarily limited to Law, Church, Medicine, Chartered Accountant or Civil Engineer, their number to be decided by the Patrons".

**13 Analysis of net assets between funds**

	Investments	Net current assets	Totals
	£	£	£
Scottish Masonic Homes Fund	4,917,395	496,728	5,414,123
Scottish Masonic Benevolent Fund	5,963,356	2,263,312	8,226,668
Scottish Masonic General Relief Fund	2,158,412	713,198	2,871,610
John Forrest Trust	-	67,686	67,686
At 31 May 2025	<b>13,039,163</b>	<b>3,540,924</b>	<b>16,580,087</b>
	Investments	Net current assets	Totals
	£	£	£
Scottish Masonic Homes Fund	4,820,959	401,224	5,222,183
Scottish Masonic Benevolent Fund	5,761,862	2,182,981	7,944,843
Scottish Masonic General Relief Fund	2,191,436	654,917	2,846,353
John Forrest Trust	-	67,686	67,686
At 31 May 2024	<b>12,774,257</b>	<b>3,306,808</b>	<b>16,081,065</b>

**Notes to the financial statements (continued)**  
**(forming part of the financial statements)**

**14 Employee Benefits**

*Defined contribution pension scheme*

The Grand Lodge operates a defined contribution pension scheme which the Trust participates in. The pension cost charge for the period represents contributions payable to the scheme and amounted to £493 (2024: £1,480).

There was £77 of outstanding contributions at the end of the financial year.

*Defined benefit pension scheme*

The employer participates within The Grand Lodge of Scotland Pension Scheme which is a defined benefit arrangement. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 31 March 2024.

The contributions made by the employer over the financial year have been 43% of pensionable pay. As the scheme is closed to new entrants, the current service cost as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll.

All figures shown below are approximations to the figures in respect of the members of The Grand Lodge of Scotland Pension Scheme.

	<b>2025</b>	2024
	<b>£000</b>	£000
Present value of funded defined benefit obligations	(766)	(975)
Fair value of plan assets	2,459	2,395
<b>Surplus</b>	<u>1,693</u>	<u>1,420</u>
<b>Asset not recognised</b>	<u>1,693</u>	<u>1,420</u>

The charity trustees believe they do not have an unconditional right to realise this surplus, either through a refund or a reduction in future contributions, and therefore the amount is not recognised as an asset in the financial statements.

*Defined benefit cost in profit or loss*

	<b>2025</b>	2024
	<b>£000</b>	£000
Current service cost	-	-
Interest on defined benefit pension plan obligation	50	52
Expected return on defined benefit pension plan assets	(125)	(118)
Total	<u>(75)</u>	<u>(66)</u>
	<b>2025</b>	2024
	<b>£000</b>	£000
Experience gains and losses arising on scheme assets	(22)	128
Experience gains and losses arising on scheme liabilities	207	(3)
Total	<u>185</u>	<u>125</u>

**Notes to the financial statements (continued)**  
**(forming part of the financial statements)**

	<b>2025</b>	2024
	<b>£000</b>	£000
<i>Reconciliation of assets</i>		
At 1 June	2,395	2,199
Expected return on plan assets	125	118
Actuarial gains/(losses)	(22)	128
Contributions by employer	13	13
Contributions by members	-	-
Benefits paid	(52)	(63)
At 31 May	<u>2,459</u>	<u>2,395</u>

*Reconciliation of liabilities*

	<b>2025</b>	2024
	<b>£000</b>	£000
At 1 June	975	983
Interest cost	50	52
Actuarial losses/(gains)	(207)	3
Benefits paid	(52)	(63)
At 31 May	<u>766</u>	<u>975</u>

The assets of the scheme are:

	<b>2025</b>	2024
	<b>Fair value</b>	Fair value
	<b>£000</b>	£000
Equities	1,802	1,709
Corporate bonds	529	569
Property	49	39
Cash	79	78
	<u>2,459</u>	<u>2,395</u>

**Notes to the financial statements (continued)**  
**(forming part of the financial statements)**

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2025	2024
	%	%
Discount rate / return on scheme assets	5.90	5.25
Retail price inflation – pre 2030	3.00	3.20
Retail price inflation – post 2030	3.00	3.00
Consumer price inflation – pre 2030	2.40	2.50
Consumer price inflation – post 2030	3.00	3.00
Pensionable salary increases	4.10	4.30
Revaluation of deferred benefits – pre 2030	2.40	2.50
Revaluation of deferred benefits – post 2030	3.00	3.00
Pension increase	3.00	2.50

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 21.4 (2024; 20.7) years (male), 23.9 (2024; 23.0) years (female).
- Future retiree upon reaching 65: 22.7 (2024; 22.0) years (male), 25.3 (2024; 24.5) years (female).

The Trustees are aware of recent legal cases, such as the Virgin Media judgement, which may have implications for historic scheme rule amendments, and they are proactively reviewing past changes to ensure compliance and taking steps to address any necessary actions.

**15 Operating leases**

Operating lease commitments represent commitments as a lessor for the investment property rental.

	2025	2024
	£	£
Not later than one year	4,200	31,700
Due within 2 – 5 years	4,200	16,800
Due in more than 5 years	-	-
	<u>8,400</u>	<u>48,500</u>

**16 Prior year adjustment**

In preparing the financial statements for the year ended 31 May 2025, it was identified that the actuarial gain relating to the defined benefit pension scheme for the year ended 31 May 2024 had not been presented on the face of the Statement of Financial Activities (SoFA), as required by the Charities SORP (FRS 102).

This omission has been corrected by restating the comparative figures for the prior year. The impact of this adjustment is a decrease in "Other recognised gains" of £66,000 and a corresponding increase in "Net income" for the prior year. Overall however, there is no impact in funds or reserves. There has been no changes made on the balance sheet as the surplus remains unrecognised.

**Notes to the financial statements** *(continued)*  
*(forming part of the financial statements)*

**17 Related parties**

The Grand Lodge of Scotland General Fund has common trustees with the Grand Lodge of Scotland Annuity, Benevolent and Charity Funds. In the year £13,650 (2024: £13,650) of rental income was received from the General Fund. Contributions to Administration Expenses of £166,768 (2024: £170,454) were made to the General Fund under Law 52 of that body. At the year-end £166,768 (2024: £170,454) was due to the Grand Lodge of Scotland General Fund and £15,182 (2024: £14,124) was receivable from the Grand Lodge of Scotland General Fund.

