

**GRAND LODGE OF MARK MASTER MASONS'**  
**FUND OF BENEVOLENCE**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 2008**

**GRAND LODGE OF MARK MASTER MASONS'  
FUND OF BENEVOLENCE  
TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2008**

---

The Custodian Trustees and Members of the General Board of the Grand Lodge of Mark Master Masons, (GLMMM), present their report and the financial statements for the year ended 31 August 2008.

**LEGAL AND ADMINISTRATIVE DETAILS**

The charity is the Grand Lodge of Mark Master Masons' Fund of Benevolence and is registered at the Charity Commission under registration number 207610. The charity's address is 86 St James's Street, London SW1A 1PL.

**CUSTODIAN TRUSTEES**

The Custodian Trustees of the Grand Lodge of Mark Master Masons' Fund of Benevolence who served during the year are:

Col R K Hind  
K J Pausey  
P H Rollin (Retired 10 June 2008)  
Dr J L W Wright

**ORGANISATION**

The members of the General Board of the Grand Lodge, who are also Trustees of the Charity, are responsible for the administration and control of all aspects of the Grand Lodge of Mark Master Masons' Fund of Benevolence.

The members of the General Board of the Grand Lodge of Mark Master Masons are:

Ex Officio, appointed by the Grand Master with the exception of the Grand Treasurer who is elected by the Grand Lodge.

B Addy (Retired 10 June 2008)  
His Hon Judge I D G Alexander QC (Retired 10 June 2008)  
J Brackley (Appointed 10 June 2008)  
N J Buckingham (Deceased 13 August 2008)  
J P Croft (Appointed 10 June 2008)  
His Honour Judge K C Cutler QC  
J W Daniel (Retired 10 June 2008)  
S I Edwards  
J Hale (Retired 10 June 2008)  
G T Herbert  
M E Herbert  
J N G Howitt  
M B Jones (Retired 10 June 2008)  
J M Long (Retired 10 June 2008)  
N H Matthews  
HRH Prince Michael of Kent GCMG (Retired 10 June 2008)  
G R G Purser  
P H Rollin (Retired 10 June 2008)  
G W Smith (Retired 10 June 2008)  
R J Smith  
D K Williamson (Retired 10 June 2008)  
C P Wright (Retired 10 June 2008)  
J A Wright  
Dr J L W Wright

**GRAND LODGE OF MARK MASTER MASONS'  
FUND OF BENEVOLENCE  
TRUSTEES' REPORT (Continued)  
FOR THE YEAR ENDED 31 AUGUST 2008**

---

**PRINCIPAL ADVISERS**

**BANKERS**

Clydesdale Bank plc  
St James' Street Branch  
35 Regent Street  
London SW1Y 4ND

**FUND MANAGERS**

Rensburg Sheppards Investment Managers  
2 Gresham Street  
London  
EC2V 7QN

**AUDITORS**

Horwath Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

**CONSTITUTIONS AND OBJECTS**

The Grand Lodge of Mark Master Masons' Fund of Benevolence is governed by both statute (Charities Acts) and the Constitutions and Regulations dated 1955 as amended 11 June 1963, 15 July 1986 and 9 September 1986.

The Fund of Benevolence is supported by contributions from Brethren, Ladies, Lodges and Provinces and these may take the form of either donations, covenants, legacies or bequests.

**GRANT MAKING POLICY**

The payments of grants to the needy and charitable donations are made from either:

**Fund of Benevolence No.1 Account**

To make grants to Mark Master Masons or their wives, widows, sisters or other dependents or children, or employees of the Grand Lodge who have retired, provided that such grants are for the relief of need.

The majority of grants are paid to the elderly and may have to be maintained for, on average, between 12 and 15 years. It is the policy of the Trustees to ensure that the fund has adequate reserves to pay these grants each year.

**Fund of Benevolence No.2 Account**

To make grants for charitable purposes other than for the relief of need (which must be sanctioned by Grand Lodge).

**GRAND LODGE OF MARK MASTER MASONS’  
FUND OF BENEVOLENCE  
TRUSTEES’ REPORT (Continued)  
FOR THE YEAR ENDED 31 AUGUST 2008**

---

**RESERVES POLICY**

Free reserves for the unrestricted fund total £5.68 million at the year end (2007 £6.11 million).

Funds are retained as it is the practice to make substantial donations from time to time and investments and income therefore must be maintained to further this policy.

**INVESTMENT POWERS**

Investment powers are set out and operated within the provisions of the Trustee Act 2000. The investments are managed by the Investment Committee, who are advised by Rensburg Sheppards Investment Managers.

**INVESTMENT POLICY AND PERFORMANCE**

The policy of the trust deed is to provide quickly grants in relief of need for Mark Masons and their dependents and from time to time to make substantial grants to worthy causes likely to benefit Mark Masons and so far as funds permit to make similar grants to non-Masons. The only sources of income for the fund are receipts from annual festivals, the amount of which depends on the number of Lodges in the province supporting the festival, and any investment income (including capital gains).

Changes are made to investments held on the basis of seeking to maintain the existing funds and to increase them so far as possible.

The intention is to invest in securities, which are likely to increase in value (including providing increased dividends), rather than by any other criteria.

In accordance with these aims the Investment Committee, appointed by the trustees, deal mainly in equities following discussions with the fund’s brokers Rensburg Sheppards Investment Managers. All decisions are based on the unanimous vote of those present at the Investment Review meeting.

**RISK POLICY**

The Trustees have reviewed their procedures to identify and examine the major strategic, business and operational risks that their charity faces. The necessary systems are established to enable reports to be produced to ensure that action is taken to mitigate the effects of the identified risks.

**ACTIVITIES**

The combined cost of grants from number 1 and number 2 funds of the Fund of Benevolence paid out amounted to £4,335,689 in the year (2007 – £839,199). This includes the balance of the donation to the Osteoporosis Society which was disclosed as a designated fund of £2,650,000 in the 2007 accounts and was paid during the year.

As in previous years the board has continued to review all applications for grants and grants were made from the number 1 fund to Mark Master Masons or their wives, widows, sisters etc.

**GRAND LODGE OF MARK MASTER MASONS’  
FUND OF BENEVOLENCE  
TRUSTEES’ REPORT (Continued)  
FOR THE YEAR ENDED 31 AUGUST 2008**

---

**TRUSTEES’ RESPONSIBILITIES**

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustees to ensure that the financial statements comply with the Charities Act 1993. The Trustees 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.

**AUDITORS**

Horwath Clark Whitehill LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditors will be proposed at the forthcoming quarterly general meeting.

Approved by the Trustees on 15 January 2009  
and signed on their behalf

**Dr J L W Wright**

# **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE GRAND LODGE OF MARK MASTER MASONS' FUND OF BENEVOLENCE**

We have audited the financial statements of The Grand Lodge Of Mark Master Masons' Fund of Benevolence for the year ended 31 August 2008 set out on pages 7 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Part VI of the Charities Act 1993 and regulations made thereunder. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

## **Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under Part VI of the Charities Act 1993 and report in accordance with regulations made thereunder. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if proper accounting records have not been kept, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Trustees' Annual Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

## **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 August 2008 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

**Horwath Clark Whitehill LLP**  
Chartered Accountants and Registered Auditors

St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

**GRAND LODGE OF MARK MASTER MASONS'  
FUND OF BENEVOLENCE  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2008**

	Notes	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
<b>INCOMING RESOURCES</b>					
Donations and gifts		884,202	-	884,202	835,108
Investment Income		223,657	237,016	460,673	438,308
Interest Receivable		113,576	45,878	159,454	135,680
Income tax refund		-	-	-	9,944
Rent receivable, 86 St. James's Street London SW1		-	90,000	90,000	90,000
150 <sup>th</sup> Keystone Fund		-	63,605	63,605	-
<b>Total Incoming Resources</b>		<b>1,221,435</b>	<b>436,499</b>	<b>1,657,934</b>	<b>1,509,040</b>
<b>RESOURCES EXPENDED</b>					
<b>Charitable Expenditure</b>					
Grants		3,892,774	442,915	4,335,689	839,199
Governance costs	3	-	13,000	13,000	9,000
Benevolent jewels distribution		-	12,050	12,050	5,170
<b>Total Resources Expended</b>		<b>3,892,774</b>	<b>467,965</b>	<b>4,360,739</b>	<b>853,369</b>
<b>NET (OUTGOING)/ INCOMING RESOURCES</b>		<b>(2,671,339)</b>	<b>(31,466)</b>	<b>(2,702,805)</b>	<b>655,671</b>
<b>Gains/(losses) on Investment Assets</b>	5				
Realised and unrealised		(497,657)	(639,764)	(1,137,421)	1,152,798
<b>NET MOVEMENT IN FUNDS</b>		<b>(3,168,996)</b>	<b>(671,230)</b>	<b>(3,840,226)</b>	<b>1,808,469</b>
<b>FUND BALANCES</b>					
As at 1 September 2007		9,176,196	9,215,066	18,391,262	16,582,793
<b>FUND BALANCES CARRIED FORWARD</b>		<b>6,007,200</b>	<b>8,543,836</b>	<b>14,551,036</b>	<b>18,391,262</b>

The notes on pages 9 to 12 form part of these financial statements

**GRAND LODGE OF MARK MASTER MASONS'  
FUND OF BENEVOLENCE  
BALANCE SHEET  
31 AUGUST 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	4	1,083,800	1,088,000
Investments	5	<u>10,567,859</u>	<u>13,121,316</u>
		<b>11,651,659</b>	<b>14,209,316</b>
<b>CURRENT ASSETS</b>			
Debtors		531,823	11,150
Income tax recoverable		-	9,944
Short term deposits		1,402,568	3,309,547
Cash at bank		<u>986,242</u>	<u>864,806</u>
		<b>2,920,633</b>	<b>4,195,447</b>
<b>CURRENT LIABILITIES</b>			
Creditors		<u>21,256</u>	<u>13,501</u>
		<b>21,256</b>	<b>13,501</b>
<b>NET CURRENT ASSETS</b>			
		<u>2,899,377</u>	<u>4,181,946</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>14,551,036</u>	<u>18,391,262</u>
<b>REPRESENTED BY FUNDS</b>			
	6		
<b>Restricted</b>			
Designated fixed assets fund		1,083,800	1,088,000
Mark Benevolent Fund 1 General		7,460,036	8,127,066
<b>Unrestricted</b>			
Designated HD Still Fund		330,771	415,521
Designated – National Osteoporosis Society		-	2,650,000
Mark Benevolent Fund 2 General		<u>5,676,429</u>	<u>6,110,675</u>
	7,8	<u>14,551,036</u>	<u>18,391,262</u>
<b>S I Edwards</b>			
<b>Chartered Accountant</b>			
<b>Grand Treasurer</b>			

The notes on pages 9 to 12 form part of these financial statements



**GRAND LODGE OF MARK MASTER MASONS’  
FUND OF BENEVOLENCE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2008**

---

**1. ACCOUNTING POLICIES**

**(a) Basis of Accounting**

The financial statements are prepared under the historical cost convention modified by the revaluation of fixed asset investments and in accordance with the Charities Act 1993, the Statement of Recommended Practice, Accounting and Reporting by Charities (Charities SORP 2005) and applicable Accounting Standards.

**(b) Donations**

Donations received for a specific year and deposited with the Fund of Benevolence are included in the Statement of Financial Activities in the year of receipt.

Other donations, where the resolution to make a gift to the Fund of Benevolence is uncertain, are included in the Statement of Financial Activities on a receipts basis.

**(c) Gifts**

Gifts received in the year are included in the Statement of Financial Activities at their market value on the date received.

**(d) Amortisation Leasehold Property**

In accordance with the terms agreed with the Charity Commissioners, the Fund of Benevolence has invested £1,200,000 in the acquisition and conversion of 86 St. James's Street, London SW1. The lease is for 99 years from 5 January 1979. The charge of £4,200 per annum for amortisation of the lease is borne by the General Fund of the Grand Lodge of Mark Master Masons.

The residual economic life of leasehold property is reviewed on a regular basis. The trustees have determined the position with regard to property depreciation as stated above.

The Trustees are also of the view that the carrying value of this asset is not impaired having assessed the service delivery and will undertake future reviews in accordance with Financial Reporting Standard 11.

**(e) Investments**

Fixed asset investments are revalued to market value at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities.

The differences between the carrying value (or cost if acquired in the year) and the proceeds of investments disposed of are shown as realised investment gains or losses in the Statement of Financial Activities.

**(f) Expenditure**

Expenditure is accounted for under the accruals concept. The irrecoverable element of VAT is included with the item of expenses to which it relates. Staff are employed by the Grand Lodge of Mark Master Masons and relevant staff costs are recharged to the Fund of Benevolence as part of the administration fee.

**(g) Investment Income**

Investment income is accounted for when received.

**(h) Governance Costs**

Governance costs relate to the statutory running of the charity.

**GRAND LODGE OF MARK MASTER MASONS'**  
**FUND OF BENEVOLENCE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

<b>2. SUPPORT COSTS</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Administration Fee	<b>111,300</b>	<i>106,000</i>
Printing and Stationery	<b>5,163</b>	<i>6,083</i>
General Expenses	<b>16,836</b>	<i>20,006</i>
Bank Charges	<b>54</b>	<i>336</i>
Insurance premiums	<b>2,530</b>	<i>2,280</i>
	<b><u>135,883</u></b>	<i><u>134,705</u></i>

All support costs are applicable to grant making which is the charity's only charitable activity and are included with the grant making costs on the face of the Statement of Financial Activities.

<b>3. GOVERNANCE</b>		
Auditors' remuneration – current year	<b>12,000</b>	<i>9,000</i>
Auditors' remuneration – prior year	<b>1,000</b>	<i>-</i>
	<b><u>13,000</u></b>	<i><u>9,000</u></i>

No Trustee received any remuneration or reimbursement of expenses during the current or previous year.

<b>4. FIXED ASSETS</b>	Leasehold property £
Cost	
<b>At 31 August 2008 and 1 September 2007</b>	<b><u>1,200,000</u></b>
Depreciation	
At 1 September 2007	112,000
Charge for the year	<u>4,200</u>
<b>At 31 August 2008</b>	<b><u>116,200</u></b>
<b>Net Book Value</b>	
<b>At 31 August 2008</b>	<b><u>1,083,800</u></b>
<i>At 1 September 2007</i>	<i><u>1,088,000</u></i>

**GRAND LODGE OF MARK MASTER MASONS'**  
**FUND OF BENEVOLENCE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

<b>5. INVESTMENTS</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Market Value at 31 August 2007	<b>13,121,316</b>	<i>13,961,627</i>
Less : Disposals at opening market value	<b>(1,597,437)</b>	<i>(4,126,442)</i>
Add : Acquisitions at cost	<b>262,440</b>	<i>2,448,369</i>
Unrealised net gains/(losses)	<b><u>(1,218,460)</u></b>	<i><u>837,762</u></i>
 Market Value at 31 August 2008	 <b><u>10,567,859</u></b>	 <i><u>13,121,316</u></i>
 Historic cost	 <b><u>8,710,971</u></b>	 <i><u>9,786,118</u></i>

All investments are listed on a Recognised Stock Exchange.

There were two material investments of 5% or greater of the total portfolio market value.

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
At market value:		
Royal Dutch Shell	<b>359,329</b>	<i>889,098</i>
B Q Group	<b><u>243,800</u></b>	<i><u>-</u></i>

Total losses amounting to £(1,137,421) (2007: gains £1,152,798) are based on a valuation at the year end which is unlikely to equate to the actual gains and losses which will arise on the subsequent realisation of those investments.

**6. FUNDS**

The funds consist of two separate funds. The number 2 fund was created on 9 September 1986 after discussions held with the Charity Commissioners. The new fund was required to enable the scope of the Fund to be widened. It is a requirement of the Charity Commissioners that the funds are separately maintained and that the accounting records of the funds are arranged so as to allow a proper allocation of transactions between the funds, according to the nature of the activity involved.

The fixed asset fund represents the net book value of assets in use by the Fund of Benevolence at the balance sheet date and is wholly attributable to the No 1 fund.

The H.D. Still and The National Osteoporosis Society are designated and are wholly attributable to the No 2 fund.

**GRAND LODGE OF MARK MASTER MASONS'**  
**FUND OF BENEVOLENCE**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2008**

**7. ALLOCATION OF THE CHARITY NET ASSETS**

The net assets are held for the various funds as follows:

	Fixed Assets £'000	Investments £'000	Net Current Assets £'000	Total £'000
<b>Restricted funds:</b>				
Fixed Assets Fund	1,084	-	-	<b>1,084</b>
MBF1 general	-	5,889	1,571	<b>7,460</b>
<b>Unrestricted funds:</b>				
H D Still Fund	-	331	-	<b>331</b>
Osteoporosis Society	-	-	-	-
General Fund Number 2	-	4,348	1,328	<b>5,676</b>
	<u>1,084</u>	<u>10,568</u>	<u>2,899</u>	<u><b>14,551</b></u>

**8. MOVEMENT OF FUNDS**

	<i>1 September 2007</i> £'000	Incoming Resources £'000	Resources Expended £'000	Transfers/ Investment Gains/ (Losses) £'000	<b>31 August 2008</b> £'000
<b>Restricted Funds</b>					
Fixed Assets Fund	1,088	-	4	-	<b>1,084</b>
MBF1 general	8,127	436	464	(639)	<b>7,460</b>
	<u>9,215</u>	<u>436</u>	<u>468</u>	<u>(639)</u>	<u><b>8,544</b></u>
<b>Unrestricted Funds</b>					
H D Still Fund	415	-	-	(84)	<b>331</b>
Osteoporosis Society	2,650	-	2,650	-	-
General Fund Number 2	6,111	1,221	1,243	(413)	<b>5,676</b>
	<u>9,176</u>	<u>1,221</u>	<u>3,893</u>	<u>(497)</u>	<u><b>6,007</b></u>

**9. TAXATION**

The Grand Lodge of Mark Master Masons Fund of Benevolence is a registered charity and is not liable to corporation tax.

**10. RELATED PARTY TRANSACTIONS**

The Fund is administered by The Grand Lodge of Mark Master Masons (GLMMM). The Fund paid a management fee of £111,300 (2007: £106,000) to GLMMM to cover staff and administration costs and charged rent of £90,000 (2007: £90,000) to GLMMM.

At the year-end, the Fund owed GLMMM £5,300 (2007: £Nil).