

Registered Charity No. 210165

The Grand Secretary's Discretionary Fund

Report and Accounts

31 December 2018

The Grand Secretary's Discretionary Fund

TRUSTEE

Dr. David Richard Staples

ADDRESS

Freemasons' Hall
60 Great Queen Street
London
WC2B 5AZ

INVESTMENT MANAGERS AND FUND CUSTODIANS

J. M. Finn & Co.
4 Coleman Street
London
EC2R 5TA

BANKERS

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

INDEPENDENT EXTERNAL REVIEW

Albert E Light

Report of the Trustee

The Grand Secretary's Discretionary Fund, is a registered charity constituted by the Will of Robert Arthur Card dated 29 January 1948. In accordance with the Will, part of the investment is to be held in endowment with the income available for charitable use by the Grand Secretary of the United Grand Lodge of England at his discretion. The remaining part is to be held in an unrestricted income fund for charitable use by the Grand Secretary at his discretion.

The sole Trustee and the professional advisers who acted during the year are shown on page 2.

Aims and Objects of the Grand Secretary's Discretionary Fund

The United Grand Lodge of England Grand Secretary's Discretionary Fund provides minor and emergency grants and donations, not necessarily to those with a direct Masonic connection. Grants and donations are made at the discretion of the Grand Secretary for such charitable purposes as he might consider proper for the public benefit.

Investments

The portfolio has as its Investment Objective a balanced return from income and capital growth and the risk profile is 100% of the portfolio geared towards medium risk investment. The only investment restriction is ideally a maximum of 5% of the portfolio held in cash.

Reserves

The Trustee reviews opportunities for charitable expenditure as they become available for consideration. It is the intention of the Grand Secretary to actively seek suitable charitable causes to ensure the unrestricted funds are put to good use.

Financial review

The Statement of Financial Activities, the Balance Sheet and the related notes are set out on pages 5 to 8.

Income for the year ended 31 December 2018 is £136,111 (2017 £31,701). Investment losses amounted to £61,214 (2017 gains £75,518) made up of unrealised losses of £79,126 (2017 gain £57,897) and realised gains of £17,913 (2017 gains £17,621). The total net assets of the fund as at 31 December 2018 was £1,134,854 (2017 £1,097,587) an increase of £37,267.

Charitable Activities

Grants amounting to £31,076 (2017 £32,823) were paid in the year. The Trustee reviews opportunities for charitable expenditure from correspondence, personal contact and educational activities. In exercising my powers I, as Trustee, have taken due regard to the guidance on public benefit published by the Charity Commission.



Dr. David R Staples
Grand Secretary

The Grand Secretary's Discretionary Fund

STATEMENT OF TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Trustee is responsible for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Trustee is responsible for preparing accounts for each financial year which give a true and fair view of the state of affairs of The Grand Secretary's Discretionary Fund and of the income and expenditure for the year. In preparing these accounts, the Trustee is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent; and
- preparing the accounts in accordance with the provisions of the Trust Deed.

The Trustee is responsible for keeping proper accounting records which disclose the financial transactions and the assets and liabilities with reasonable accuracy. He is also responsible for safeguarding the assets of The Grand Secretary's Discretionary Fund and henceforth taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee has had due regard to the guidance on public benefit published by the Commission in exercising his powers or duties.

The Grand Secretary's Discretionary Fund

STATEMENT OF FINANCIAL ACTIVITIES for the period ending 31 December 2018

	Note	Unrestricted £	Endowment £	Total 2018 £	Total 2017 £
Income and endowments from:					
Donations and legacies		109,194		109,194	-
Investments		26,917	-	26,917	31,701
Total		<u>136,111</u>		<u>136,111</u>	<u>31,701</u>
Expenditure on:					
Raising funds		6,555	-	6,555	7,499
Charitable activities	3	31,076	-	31,076	32,823
Total		<u>37,631</u>	<u>-</u>	<u>37,631</u>	<u>40,322</u>
Net gains/(losses) on investments	4	(33,248)	(27,965)	(61,213)	75,518
Net income/(expenditure)		<u>65,232</u>	<u>(27,965)</u>	<u>37,267</u>	<u>66,897</u>
Net movements of funds		<u>65,232</u>	<u>(27,965)</u>	<u>37,267</u>	<u>66,897</u>
Reconciliation of funds:					
Total funds brought forward		608,109	489,478	1,097,587	1,030,690
Total funds carried forward		<u>673,341</u>	<u>461,513</u>	<u>1,134,854</u>	<u>1,097,587</u>

The Grand Secretary's Discretionary Fund

BALANCE SHEET

for the period ending 31 December 2018

	Note	2018 £	2017 £
Fixed assets:			
Investments	4	<u>1,009,233</u>	<u>1,072,484</u>
Current assets:			
Debtors		35	46
Cash at bank		<u>125,586</u>	<u>27,467</u>
Total current assets		125,621	27,513
Liabilities:			
Creditors: Amounts falling due within one year		<u>-</u>	<u>(2,410)</u>
Total net assets		<u>1,134,854</u>	<u>1,097,587</u>
The funds of the charity:			
Endowment Fund	5	461,513	489,478
Unrestricted Fund	5	673,341	608,109
Total charity funds		<u>1,134,854</u>	<u>1,097,587</u>



Dr D R STAPLES
Grand Secretary

The Grand Secretary's Discretionary Fund

NOTES TO THE ACCOUNTS for the period ending 31 December 2018

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102).

The trustee continues to adopt the going concern basis in preparing the financial statements.

b) Charity Information

The Charity is a trust which is a public benefit entity registered as a charity in England and Wales (charity no. 210165). It operates from Freemasons' Hall, 60 Great Queen Street, London, WC2B 5AZ.

d) Investment income

Dividends are accounted for based on income notified by the investment managers. Interest on bank deposits is accounted for on an accruals basis.

e) Resources expended

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any irrecoverable VAT

f) Income tax recoverable

Income tax recoverable is accounted for on an accruals basis.

g) Financial instruments

Grand Secretary Discretionary Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

(i) Listed investments, including fixed interest securities and cash held for investment, are measured at fair value through income and expenditure accounts and are reported at their market values at the balance sheet date.

(ii) Other financial instruments, which comprise bank and cash, debtors, other creditors and accruals are initially recognised at transaction value and are subsequently measured at amortised cost using the effective interest method.

h) Taxation

No taxation is payable by the Grand Secretary's Discretionary Fund as it is able to make use of the tax exemptions on income and capital gains available to charities.

2 ADMINISTRATION COSTS

All costs of administration, with the exception of sundry bank charges, are borne by the United Grand Lodge of England.

3 CHARITABLE ACTIVITIES

Resources expended on charitable activities represents grants to organisations and individuals as follows:

	2018	2017
	£	£
Grants to individuals	5,376	2,380
Grants to company	25,700	30,443
	<u>31,076</u>	<u>32,823</u>

The Grand Secretary's Discretionary Fund

NOTES TO THE ACCOUNTS for the period ending 31 December 2018

4 INVESTMENTS

	2018	2017
	£	£
Market Value at 1 January 2018	1,072,484	1,025,268
Net investment into portfolio	(2,037)	(28,303)
Net gains/(losses) on investments	(61,214)	75,518
Market Value at 31 December 2018	<u>1,009,233</u>	<u>1,072,484</u>
Investments at market value comprise:		
Government securities & corporate bonds	172,325	202,378
UK equities	439,616	489,975
Overseas equities	330,117	356,918
Sub-total	<u>942,059</u>	<u>1,049,271</u>
Cash	67,175	23,213
Market Value at 31 December 2018	<u>1,009,233</u>	<u>1,072,484</u>
Historical cost at 31 December 2018	<u>779,712</u>	<u>763,837</u>

5 FUNDS

Endowment Capital Fund - This represents the assets that must be permanently retained by the charity. Income on these investments is unrestricted and is available for the payment of charitable grants.

Unrestricted Income Fund - This represents accumulated income available to the trustee for grants in accordance with the objects of the charity.

6 ANALYSIS OF ASSETS BY FUND

The endowment capital fund is all held as investments. The total investments are held as an investment pool and the investment gains and losses are allocated based on the investment proportion attributable to the endowment and unrestricted funds.

7 INDEPENDENT EXTERNAL REVIEW

I report to the charity trustees on my examination of the accounts for the year ended 31 December 2018. Having satisfied myself that the accounts are eligible for independent examination, I have carried out my examination in accordance with the Charities Act 2011. In carrying out my examination, I have followed the Directions given by the Charity Commission. I have completed my examination.

I confirm that no material matters have come to my attention which gives me cause to believe that:

- the accounting records were not kept in accordance with the Act
- the accounts do not accord with such records
- the accounts do not comply with relevant accounting requirements other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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



ALBERT E LIGHT