

Charity Registration No. 1175246
Company Registration No. 11020585

West Lancashire Freemasons' Charity

Company Limited By Guarantee

Annual Report and Accounts 2018-2019



Helping those in need

West Lancashire Freemasons' Charity

Company Limited By Guarantee

Financial Statements for 31 March 2019

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Professional Advisers

Registered charity name West Lancashire Freemasons' Charity
Company Limited By Guarantee

Charity number 1175246

Company number 11020585

**Principal address and
Registered Office** West Lancashire Freemasons' Charity
2 Paramount Business Park
Wilson Road
Huyton
Liverpool
L36 6AW

Auditor BWM
Chartered Accountants
Castle Chambers
43 Castle Street
Liverpool
L2 9SH

Bankers HSBC Bank plc
99-101 Lord Street
Liverpool
L2 6PG

Investment Managers Rathbone Investment Management
Port of Liverpool Building
Pier Head
Liverpool
L3 1NW

Solicitors Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Trustees' Annual Report (Including Directors' Report)

The trustees have pleasure in presenting their annual report and financial statements for the year ended 31 March 2019. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Legal Status

The charity is registered as a company limited by guarantee (No: 11020585) and as a charity (No: 1175246). On 1 April 2018 the incorporated charity took over the activities, assets and liabilities of the unincorporated charity West Lancashire Freemasons' Charity (No: 239313). As the charity reconstruction met the necessary criteria in accordance with the SORP, merger accounting has been adopted and the comparative figures are those of the unincorporated charity.

Objects and Activities

The Charity has the following objects and activities:

- (1) The relief of Freemasons of the Province, their widows, children and any dependants of Freemasons of the Province who are in conditions of need, hardship or distress.
- (2) To promote the education of children under the age of 25 who are in need of financial assistance and are resident in the Province.
- (3) The provision of financial assistance to Masonic charitable funds or institutions or other charitable institutions as the trustees shall from time to time decide.

The Charity has referred to the Charity Commission's general guidance on Public Benefit when reviewing its aims and objectives and has ensured that the grant making policies and activities of the West Lancashire Freemasons' Charity comply with the requirements.

Financial Review

Complete details of the income and expenditure are shown in the statement of financial activities on Page 9 and in the notes to the accounts.

The reserves of the Charity at 31 March 2019 totalled £15.38m (2018 - £14.69m).

Total income and endowments in the year, including legacies of £2,623 (2018 - £706,831), amounted to £473,788 compared with £1,223,349 in the preceding year.

Total income included investment income and interest receivable of £395,497 (2018 - £378,778).

Grants paid increased by 53% to £428,298 (2018- £280,687) .

Charitable Support Costs were £101,212 (2018- £118,179).

During the year, net realised investment gains were £11,657; and on the revaluation of the investment portfolio at the year end, net unrealised investment gains were £789,773.

The overall result for the year is an increase in funds of £690,057 (2018 - increase of £572,022).

Trustees' Annual Report (Including Directors' Report)

Investment policy and performance

The Charity operates a total return approach to its investments.

Our investment advisors are advised to maximize the total return on the portfolio within the constraints of a medium to low risk strategy. The investment brief is broadly defined.

The trustees monitor the investment performance on a quarterly basis.

The investment managers engaged during the reporting year were Rathbone Investment Management. The trustees have at all times acted in accordance with the trustees' duties in relation to investments under the Trustees Act 2000.

Cash funds are maintained at a level sufficient for immediate requirements with a modest reserve placed on short term deposit at the most advantageous rate of return available at the time of investment. At 31 March 2019 total cash funds amounted to £535,166 (2018- £1,518,746).

Reserves policy

The Charity's reserve policy is to maintain an adequate level to support its activities, taking account of the risks to which it is exposed and existing and projected levels of income and expenditure. The trustees have taken into account expected shortfalls in voluntary income due to the impact of declining Masonic membership and the effect of the four year Festival for the benefit of the Masonic Charitable Foundation which concludes in 2021.

Structure, governance and management

The governance and management of the Charity during the year allowed the number of trustees to be not less than five and not more than seven. Trustees can appoint able and willing candidates to be a trustee.

Each term of office is for four years. Trustees can be re-appointed for one further term of four years.

On appointment new trustees sign a trustee declaration and a confidentiality agreement and receive a copy of the scheme document; the Charity's rules and regulations; past annual reports and accounts; minutes of trustee meetings and guidance publications produced by the Charity Commission. New trustees are encouraged to meet with the Chief Executive and his team and gain an understanding of the processes involved in running the Charity.

The trustees meet quarterly with additional meetings called when necessary. At the meetings the trustees consider

matters relating to grant making policy, investment strategy, major acquisitions, major grants, business planning and receive reports relating to the administration of the Charity.

All trustees gave freely of their time and no remuneration was paid during the year.

The day to day management of the Charity is the responsibility of the Chief Executive. The Chief Financial Officer has particular responsibility for the proper control of all financial matters. Both attend trustees' meetings.

The Principal Officers have a team of volunteers whose functions include receiving and checking applications for assistance; assessing and approving grants where appropriate; receiving and recording donations and making payments; controlling finances; meeting statutory requirements; marketing and public relations; dealing with investment managers, auditors, solicitors and suppliers as well as fund raisers within the Province and lodge almoners who deal directly with the applicants; general administration; planning and reporting.

As the Charity's volunteers are not remunerated for their services but incur costs in travelling to their work, all volunteers may claim a contribution towards these costs based on the HMRC mileage allowance.

All the team members have happily and generously given their time in service to charity and the Trustees wish to record their appreciation and gratitude to all volunteers who work at Huyton.

Risk management

Risk policy involves the trustees in the maintenance of sound business practices in order to avoid unnecessary risk. Our view is that risk management works most effectively when it is applied by all staff involved in running the Charity and it is an established practice to keep all our volunteers informed of and involved in administration matters.

It is the policy to regularly review the risks to which the Charity is exposed and the adequacy of financial controls and to establish systems to mitigate those risks. During the year the Charity underwent a full risk assessment as required by The Charities Acts. In all areas the Charity was considered at low or very low risk, confirming that systems and procedures to manage those risks are in place.

Trustees' Annual Report (Including Directors' Report)

Grant making policy

Applications are received through local Freemasons, Masonic groups or direct at the Charity's office. Successful applications need to meet established criteria and supporting evidence is required. Requests for assistance which fall outside the norm may still qualify for help at the trustees' discretion.

The Charity regularly reviews the types of requests it receives and amends qualification requirements and increases resources where they help to meet the Charity's objectives.

A consistent approach to assessing applications and making grants is adopted by the Charity. For individual applicants in financial distress the Charity uses an application form similar to that used by the Masonic Charitable Foundation and requires sight of supporting evidence of financial income, savings and need. Relief is afforded to an applicant by reference to their income measured against the Joseph Rowntree Foundation Minimum Income Standard and by reference to the applicants capital position.

Maximum grant levels are reviewed by the trustees on at least an annual basis.

In addition to providing grants to help meet living costs the Charity has also helped with the cost of essential repairs to homes and has provided assistance in financial emergencies.

Charitable activities

The majority of our workload during the year related to handling applications for assistance from individuals in financial distress and the Charity was pleased to be able to give much needed financial support to Freemasons and dependants in need.

In addition, the Charity has been pleased to continue supporting young people where certain aspects of their education and development are not met by the state and many other deserving charitable causes.

Grants to worthy causes in the community in the year 2018/19 totalled £139,189. A list is given on page 16.

The Charity is keen to make the public aware of the assistance which can be provided by the Charity. Because the Charity does not seek to raise donations from the general public but instead relies on donations made by Freemasons, our role as a public benefactor is not always understood. It is hoped that the level of grants made and our involvement and support for relatively high profile projects will attract wider recognition. Examples of the type of grants given are shown on the Charity's website:

www.westlancsfreemasons.org.uk/wlfc-home.

Fundraising

The Charity relies heavily on donations from Freemasons in the Province of West Lancashire. The Charity continues to raise awareness of its work within the Province and in doing so, it is hoped that those Freemasons will continue to give generously to help the Charity support needy individuals and other worthy causes.

The trustees are mindful that the Fundraising Regulator has recently expressed concerns regarding

- how organisations collect or solicit funds
- relationships with donors
- methods of working with others to raise money
- management of contact preferences and complaints handling

The trustees therefore wish to set out how the Charity raises funds and addresses these issues.

The Charity does not solicit or receive donations from the general public; the funds it receives come purely from Freemasons. The Charity acts indirectly through the umbrella organisation for freemasons in West Lancashire, The Masonic Province of West Lancashire (the Province), to solicit funds.

One of the basic tenets of Freemasonry is charity. To that end the Province;

- sends senior masons annually to all lodges who may speak on the work of the Charity
- organises annual collections across the Province
- encourages lodges of masons to make gifts to the Charity
- Distributes promotional literature to masonic halls

The general public is not approached.

Trustees' Annual Report (Including Directors' Report)

Achievements and performance

The Charity has a strategic plan which is geared towards:

- Ensuring prudent financial management
- Allocating resource to meet demand
- Increasing awareness of the charity and its activities within both the Masonic and non-Masonic communities
- Raising the skills of its volunteers
- Increasing its funds

www.westlancsfreemasons.org.uk, the charity's website, provides information on the charity and help for applicants and those raising and dispersing funds on its behalf. The charity's promotional literature, application forms and guidance notes have been updated. A range of leaflets can be downloaded from the website covering the work of the charity; inviting applications for financial assistance; describing how donations can be made; how legacies can be arranged and how Gift Aid can swell the value of donations.

Visitors to the website can check state benefit entitlements and download application forms and guidance notes for grants for charitable causes in the community.

Best business practice is employed in running the charity. Strategic and business plans are in force; a risk register is in use and health and safety reviews are carried out on a regular basis.

All applications are handled confidentially and all team members are required to sign a confidentiality agreement.

During the year Rathbone Investment Management managed the investment portfolio of the charity. At 31 March 2019, the investment portfolio stood at £14,398,752.

The charity continued its policy of adopting a prudent investment strategy which avoided high risk investments but gave a balanced portfolio.

Over the year the value the funds of the charity increased from £14,689,474 to £15,379,531.

Future Plans

Non-masonic giving has for many years been a major constituent of the Charity's work. The awards were generally of a small nature (up to £5,000).

At their February 2019 meeting the Board made the business decision to disband the Community Grants Team, who had 'governed' the assessment and making of non-masonic grants, and to change the scope of such giving.

The Board resolved, from 1 April 2019, to seek applications from appropriate organisations for major awards; the intention being that the awards will assist in 'making a difference'.

The Board proposed making 3 or 4 awards each year of £25,000 or more in each instance, with the aim of making a significant impact on the organisation supported and, hopefully, increasing and improving the profile of Freemasonry in general.

The principal objective of the Charity is and will continue to be the relief of Freemasons and their connections, and to this end the Board will continually review the upper level of masonic grants payable.

Trustees

The trustees who served the charity during the period were as follows:

M. F. Matthews (Chairman)
M. Collins (resigned 30 April 2018)
D. J. Parkinson
B. Crossley
J. H. Smith
C.J. Rowling (appointed 1 April 2018)
J.D. Gibbon (appointed 15 August 2018)

Trustees' Annual Report (Including Directors' Report)

Statement of trustees' responsibilities

The trustees, who are also directors of the Charity for the purposes of company law, 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).

Company law 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 the incoming resources and application of resources, including the income and expenditure, of the Charity for that year. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

A resolution proposing that BWM be reappointed as auditors of the company will be put to the members.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Trustees on 14th November 2019

M. Matthews
Chairman

S. Kayne
Chief Executive Officer

Independent Auditor's Report to the Members Of West Lancashire Freemasons' Charity

Opinion

We have audited the financial statements of West Lancashire Freemasons' Charity for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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 Companies Act 2006.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs(UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Independent Auditor's Report to the Members Of West Lancashire Freemasons' Charity

the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Peter Taaffe FCA CTA DChA (Senior Statutory Auditor)

For and on behalf of BWM

Chartered Accountants

Statutory Auditor

14th November 2019

Castle Chambers
43 Castle Street
Liverpool
L2 9SH

Statement of Financial Activities

Including Income And Expenditure Account

for the Year Ended 31 March 2019

		Unrestricted Funds	
		2019	2018
	Note	£	£
INCOME AND ENDOWMENTS FROM:			
Donations and legacies	2	78,291	844,365
Investments	3	395,497	378,778
Other	4	0	206
TOTAL INCOME AND ENDOWMENTS		473,788	1,223,349
EXPENDITURE ON:			
Raising funds	5	55,651	55,273
Charitable activities	6	529,510	398,866
TOTAL EXPENDITURE		585,161	454,139
Net gains / (losses) on disposal of investment assets		11,657	72,102
Unrealised gains / (losses) on investments	11	789,773	(269,290)
NET INCOME / (EXPENDITURE) / NET MOVEMENT IN FUNDS		690,057	572,022
RECONCILIATION OF FUNDS			
Total funds brought forward		14,689,474	14,117,452
TOTAL FUNDS CARRIED FORWARD		15,379,531	14,689,474

The Statement of Financial Activities includes all gains and losses recognised in the year.
All of the above amounts relate to continuing activities.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 12 to 20 form part of these financial statements

Balance Sheet

as at 31 March 2019

	Note	£	2019 £	2018 £
FIXED ASSETS				
Tangible Fixed Assets	10		464,116	486,480
Investments	11		14,398,752	12,667,168
			<hr/>	<hr/>
TOTAL FIXED ASSETS			14,862,868	13,153,648
			<hr/>	<hr/>
CURRENT ASSETS				
Debtors	13	41,215		72,646
Short term deposits		326,388		126,315
Cash at bank		208,778		1,392,431
		<hr/>		<hr/>
		576,381		1,591,392
CREDITORS: Amounts falling due within one year	14	(59,718)		(55,566)
		<hr/>		<hr/>
NET CURRENT ASSETS			516,663	1,535,826
			<hr/>	<hr/>
TOTAL NET ASSETS			15,379,531	14,689,474
			<hr/> <hr/>	<hr/> <hr/>
FUNDS OF THE CHARITY				
Total unrestricted funds			15,379,531	14,689,474
			<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved and signed on 14th November 2019 on behalf of the trustees by:

M. Matthews
Trustee

J. H. Smith
Trustee

H. D. Lloyd
Chief Financial Officer

Company Registration No. 11020585

The notes on pages 12 to 20 form part of these financial statements

Statement of Cash Flows

for the Year Ended 31 March 2019

		2019	2018
	Note	£	£
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by / (used in) operating activities	15	(452,077)	416,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and interest from investments		398,651	379,702
Purchase of equipment		-	(2,334)
Proceeds from sale of investments		5,763,588	2,222,037
Purchase of investments		(6,300,537)	(2,430,649)
Net cash provided by / (used in) investing activities		(138,298)	168,756
Change in cash and cash equivalents in the reporting period		(590,375)	585,197
Cash and cash equivalents at the beginning of the reporting period	16	1,730,234	1,145,037
Cash and cash equivalents at the end of the reporting period	16	1,139,859	1,730,234

The notes on pages 12 to 20 form part of these financial statements

Notes to the Financial Statements

1. Accounting policies

Charity Information

West Lancashire Freemasons' Charity is a private company limited by guarantee incorporated in England and Wales. The registered office is 2 Paramount Business Park, Wilson Road, Huyton, Liverpool L36 6AW.

Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" as amended for accounting periods commencing from 1 January 2016.

The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention modified to include certain financial instruments at fair value. The accounting policies adopted are set out below.

Merger accounting

On 1 April 2018 the incorporated charity, which had been dormant, took over the activities, assets and liabilities of the unincorporated charity West Lancashire Freemasons' Charity (No: 239313). Merger accounting has been adopted and the comparative figures are those of the unincorporated charity.

Income and endowments

Voluntary income including donations and gifts are recognised in the period in which they are received by the charity. Such income is only deferred when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period. In accordance with this policy, legacies are included when received by the charity.

Income generated from the Provincial Festival Evening (other activities) is reflected net of the related expenditure as the event is costed to breakeven, with ticket sales matching costs. Any surplus generated from the evening is incidental except for the proceeds of the raffle.

Expenditure on raising funds

The costs consist of investment management fees.

Charitable expenditure

Direct charitable activity expenditure includes all expenditure incurred in the provision of charitable services, together with support costs, in pursuance of the charity's objectives.

Grants payable are payments made to third parties in the furtherance of the charitable objects. Funds are allocated in accordance with the objectives set out on page 2.

The irrecoverable element of VAT is included with the item of expenses to which it relates as this cannot be recovered by the charity. Expenses are allocated based on a detailed assessment of the relative activity.

Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses. Individual assets costing £250 or more are capitalised at cost. Depreciation is provided on a straight line basis on tangible fixed assets which are written off over their useful economic life which is :-

Long Leasehold Property	125 years
Office equipment	5 years
Computer equipment	4 years

Fixed asset investments

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and opening market value or purchase cost, if later. Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value or purchase cost if later.

Notes to the Financial Statements

Funds accounting

All funds held by the charity are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Taxation

The charity benefits from various exemptions from taxation afforded by tax legislation and is not liable to corporation tax on income or gains falling within those exemptions. Recovery is made of tax deducted from income and from receipts under Gift Aid. The charity is not able to recover Value Added Tax. Expenditure is recorded in the accounts inclusive of VAT.

Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis in preparing the accounts.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less and bank overdrafts.

Financial instruments

The Charity has elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "Other Financial Instrument Issues" of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and

are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at the market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

Critical accounting estimates and judgements

In the application of the Charity'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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Notes to the Financial Statements

2. Donations and legacies

	2019 £	2018 £
Donations		
General	31,155	81,255
Gift aided donations	35,610	45,023
Recoverable income tax	8,903	11,256
Legacies		
Legacies	2,623	706,831
	78,291	844,365

3. Income from investments

	2019 £	2018 £
Income from listed investments	395,494	378,675
Bank interest receivable	3	103
4. Other income	395,497	378,778

	Income £	Expenditure £	Net income 2019 £	2018 £
Festival evening	-	-	-	206
Profit on Sale of Goods	-	-	-	-
	-	-	-	206

The Trustees choose to reflect income generated from the Provincial Festival evening and the Provincial Charity Stewards dinner net of the related expenditure in the SOFA. Any surplus generated from the evening is incidental except for the proceeds of the raffle.

Notes to the Financial Statements

5. Expenditure on raising funds

	2019	2018
	£	£
Investment managers' fees	55,651	55,273

6. Expenditure on charitable activities

	2019	2018
	£	£
Grants paid		
Freemasons' support	172,755	50,011
Widows' support	93,463	91,938
Other masonic support	22,891	36,315
Non-masonic grants (note 7)	139,189	102,423
	428,298	280,687
Support costs		
Rates & water	9,189	7,951
Heating, lighting and insurance	6,958	4,127
Telephone	5,408	4,548
Postage, stationery & printing	6,328	13,784
Travelling expenses	12,320	16,818
Computer expenses	21,284	19,700
Office maintenance and repairs	4,644	4,395
Bank charges	2,077	2,647
Other costs	1,332	3,294
Depreciation	22,364	22,093
Auditor's remuneration	7,250	7,035
Legal and professional fees	2,058	11,787
	101,212	118,179
	529,510	398,866

Notes to the Financial Statements

7. Non Masonic Grants

Non Masonic grants made during the year were as follows:

	£
St. Vincents School for the Deaf	35,000
5th Blackpool Scout Group	23,850
Zoe's Place	10,000
Lifelites	6,000
Blackpool Carers	5,000
Campus Children's Holidays	5,000
Lancaster Area Search and Rescue	5,000
Southport Gymnastics Club	5,000
Maritime Volunteers	4,990
Lancashire Warblers Operatic Society	4,129
West Lancashire Scouts	4,000
Tallships Youth Trust	3,000
Sefton Stars Basket Ball	2,500
Brathay Trust	2,300
North West Riding for the Disabled	2,050
Handicapped Children's Action Group	2,045
58th Ormskirk Hesketh Bank Scouts	1,500
Friends of Springfield Medical Centre	1,000
St. Helens Concert Band	1,000
Liverpool Old Hebrew Congregation	1,000
Minor grants	1,702
Grants for youth and disabled applicants support	13,123
	<hr/>
	139,189
	<hr/>

Notes to the Financial Statements

8. Funds Received as Agent

In previous years the charity acted as an agent for the Masonic Charitable Foundation (MCF) by paying grants to beneficiaries of the MCF on behalf of the MCF. Grants were paid in four, equal, quarterly instalments and the funds held at the end of the year related to instalments not yet due to be paid at that date. The funds were not included in these Financial Statements. The agency agreement ceased during 2017/18.

Analysis of Funds Received and Paid	2019	2018
	£	£
Undistributed funds held as agent at 1 April 2018	–	59,710
Funds received from MCF	–	33,150
Amounts paid to beneficiaries of MCF	–	(92,860)
	<u> </u>	<u> </u>
Undistributed funds held as Agent at 31st March 2019	–	–
	<u> </u>	<u> </u>

9. Trustee remuneration and related party transactions

The Trustees received neither remuneration for their services nor reimbursement for travel expenses in the year. (2018—nil).

No trustee or other person related to the charity had any personal interest in any transaction entered into by the charity during the year (2018- nil).

Key Management are all volunteers and did not receive remuneration during the year (2018: £nil). Volunteers are reimbursed travel expenses during the year.

10. Tangible Fixed Assets

	Leasehold Property	Office Equipment	Computer Equipment	Total
	£	£	£	£
At cost at start of year	477,091	29,406	94,020	600,517
Additions during year	–	–	–	–
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At cost at end of year	477,091	29,406	94,020	600,517
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation at start of year	29,580	29,406	55,051	114,037
Depreciation during year	3,816	–	18,548	22,364
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation at end of year	33,396	29,406	73,599	136,401
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value at 31st March 2019	443,695	–	20,421	464,116
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value at 31st March 2018	447,511	–	38,969	486,480
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes to the Financial Statements

11. Investments

Movement in market value

	2019	2018
	£	£
Market Value at 1st April 2018	12,667,168	12,920,838
Acquisitions at cost	6,300,537	2,430,649
Disposal at opening book value	(5,751,931)	(2,149,935)
Net gains/(losses) on revaluations in the year ended 31 March 2019	789,773	(269,290)
Net movement in cash held for investment	393,205	(265,094)
Market value at 31 March 2019	14,398,752	12,667,168
Historical cost at 31 March 2019	12,719,405	10,689,975

Analysis of investments at 31 March 2019

	2019	2018
	£	£
Listed investments		
UK quoted shares	13,794,059	12,455,680
Other investments		
UK Cash held by Rathbone Investment Management as part of Portfolio	604,693	211,488
	14,398,752	12,667,168

Notes to the Financial Statements

12. Financial Instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,169,805	1,763,334
Instruments measured at fair value through the SOFA	13,794,059	12,455,680
Carrying amount of financial liabilities		
Measured at amortised cost	59,718	55,566

13. Debtors

Amounts due within one year:

	2019 £	2018 £
Income tax recoverable	7,289	26,261
Prepayments	0	3,285
Accrued Interest	29,946	33,100
	<u>37,235</u>	<u>62,646</u>

Amounts due after more than one year:

	2019 £	2018 £
Other debtors	3,980	10,000
	<u>3,980</u>	<u>10,000</u>

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other creditors	829	3,530
Accruals and deferred income	58,889	52,036
	<u>59,718</u>	<u>55,566</u>

Notes to the Financial Statements

15. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities

	2019	2018
	£	£
Net Income/(Expenditure) for the Reporting Period (as per the Statement of Financial Activities)	690,057	572,022
Adjustments for:		
Depreciation charges	22,364	22,093
(Gains)/Losses on Investments	(801,430)	197,188
Dividends and Interest from Investments	(398,651)	(379,702)
(Increase)/decrease in debtors	31,431	2,709
Increase/(decrease) in creditors	4,152	2,131
	<hr/>	<hr/>
Net Cash Provided by (Used in) Operating Activities	(452,077)	416,441
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16. Analysis of Cash and Cash Equivalents

	2019	2018
	£	£
Short term deposits	326,388	126,315
Cash at bank	208,778	1,392,431
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	535,166	1,518,746
Cash held as part of the investment portfolio	604,693	211,488
	<hr/>	<hr/>
Total Cash and Cash Equivalents	1,139,859	1,730,234
	<hr/> <hr/>	<hr/> <hr/>

17. Company Limited By Guarantee

West Lancashire Freemasons' Charity is incorporated under the Companies Act as a company limited by guarantee. The liability of the members is limited to £1.

West Lancashire Freemasons' Charity
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