

**Supreme Grand Royal Arch Chapter of  
Scotland**

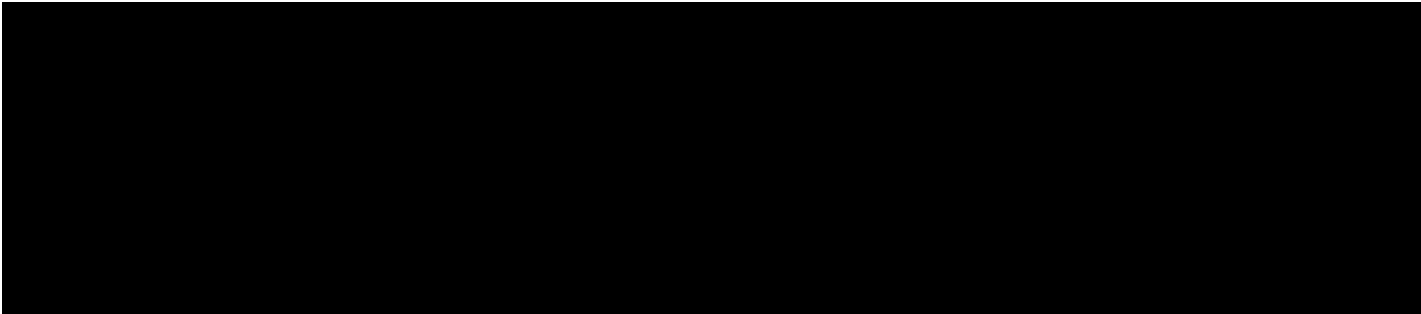
Benevolent Fund Annual Report

For the year ended 29 February 2024

Charity Number SC010082

## Reference and administrative details for the year ended 29 February 2024

### Trustees



### Bankers

The Royal Bank of Scotland  
30 Nicholson Street,  
Edinburgh  
EH8 9DL

### Accountants

Henderson Loggie LLP  
11-15 Thistle Street  
Edinburgh  
EH2 1DF

### Investment advisors

Investec Wealth & Investment Limited  
Quatermile One  
3<sup>rd</sup> Floor  
15 Lauriston Place  
Edinburgh  
EH3 9EN

### Principal office

Royal Arch Chambers  
23 St John Street  
Edinburgh  
EH8 8DG

### Scottish charity number

SC010082

## **Trustees' report**

*for the year ended 29 February 2024*

The trustees have pleasure in presenting their report for the year ended 29 February 2024.

### **Organisation**

The Trustees of the Supreme Grand Chapter of Scotland are seven of its principal Office-bearers and are detailed on page 103. The power to appoint new Trustees and remove existing Trustees rests with Supreme Grand Chapter. Each Trustee shall have one vote; but in the case of an equality of votes, the presiding Companion shall have a casting as well as a deliberative vote. In most cases the presiding Companion will be the First Grand Principal. New Trustees are provided with details of the organisation and its activities before appointment.

Supreme Committee exercises a general control over the Fund, acts as the ordinary judicial tribunal of Supreme Grand Chapter with delegated powers and regularly reports all its transactions for the information and approval of Supreme Grand Chapter.

The Trustees and Supreme Committee have delegated with instructions to the Grand Scribe E the role of keeping accounting records for the charity and preparing the financial statements for each financial period.

### **Objectives and activities**

The Benevolent Fund applies the revenue received from its investments and any donations received to charitable purposes and it will also make payment in whole or in part of such retiring allowances as may be granted by Supreme Grand Chapter. Each period the fund will provide donations and grants and these are made at the consent of Supreme Grand Chapter at a stated Convocation. Beneficiaries of grants shall be members of the Order, their parents, spouses, children or collaterals. Applications for grants must be by Schedule, which is obtainable from Grand Scribe E.

### **Financial review**

Financial details of the Benevolent Fund of Supreme Grand Chapter are outlined within the accounts and can be found on pages 107 to 116. Regarding income, the yield from the portfolio of investments is up 2% from the previous year, the dividends are satisfactory in the present market conditions. The market value of the investments has recovered from adverse trading conditions. Certain shares have been sold, the proceeds reinvested in shares perceived to have greater potential. The Benevolent fund has generated a surplus for the year of £245,817 mainly due to the £265,000 legacy received from companion [REDACTED]. As at 28 February 2024, the funds stand at £1,572,570. The Trustees are satisfied with the financial position of the Benevolent Fund and confirm that funds can meet their obligations.

### **Investment policy**

In accordance with the Constitution and Laws, the Trustees have the power to invest as they see fit provided they are reasonably prudent after taking professional advice from Investec. The Trustees maintain the charity funds in an appropriate structure that can be paid out as required.

### **Reserves policy**

The reserves of the charity are mainly represented by investments, the income from which is utilised in making donations. The Trustees have the power to spend any of the endowment funds; however, the fund is used to generate income.

### **Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate their exposure to the major risks.

### **Future plans**

The trustees plan to continue with the giving of grants and donations in accordance with the Constitution and Laws.

**Trustees' report** *(continued)* for  
the year ended 29 February 2024

**Grant making policy**

Grants from the Benevolent Fund shall be made with consent of the Trustees at a stated meeting. Application for grants must be by Scheduled obtainable from Grand Scribe E and must have already been considered by Lodge and Chapter.

**Structure governance and management**

The Supreme Grand Royal Arch Chapter of Scotland (hereafter referred to as Supreme Grand Chapter) was constituted in 1817 and its Constitution and Laws govern its objectives, organisational structure together with legal and administrative arrangements.

**Related party**

The Supreme Grand Chapter consists of two Funds, the General Fund and the Benevolent Fund. The General Fund is maintained by the Grand Scribe E and this receives income annually from the members of the Order. All expenses of administration in relation to both Funds are applied to the General Fund. The Benevolent Fund each period pays over a sum of money to the General Fund towards administration costs of the Order and the maintaining of the accountancy records of the Benevolent Fund.

**Statement of trustees' accounting responsibilities**

Under the Constitution and Laws and legislation relating to Charities in Scotland, the Trustees are required to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Charity as at the end of the period and of the surplus or deficit for that period.

In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity and which enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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 regularities.

**Provision of Information to Independent Examiners**

The trustees at the date of approval of this trustees' report confirm that, so far as they are individually aware, there is no relevant audit information of which the independent examiners are unaware; and each trustee has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's independent examiner is aware of that information.

On behalf of the Trustees

Trustee

17 September 2024

## **Independent examiner's report to the Supreme Committee of the Supreme Grand Royal Arch Chapter of Scotland – Benevolent Fund**

I report on the accounts of the charity for the year ended 29 February 2024 which are set out on pages 107 to 116.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the charity and the trustees, as a body, for my work or for this report.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

### **Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

### **Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended); and
  - the prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended);have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**For and on behalf of Henderson Loggie LLP**  
**Chartered Accountants**  
**11 -15 Thistle Street**  
**Edinburgh**  
**EH2 1DF**

17 September 2024

**Benevolent Fund**  
**Statement of financial activities**  
*for the year ended 29 February 2024*

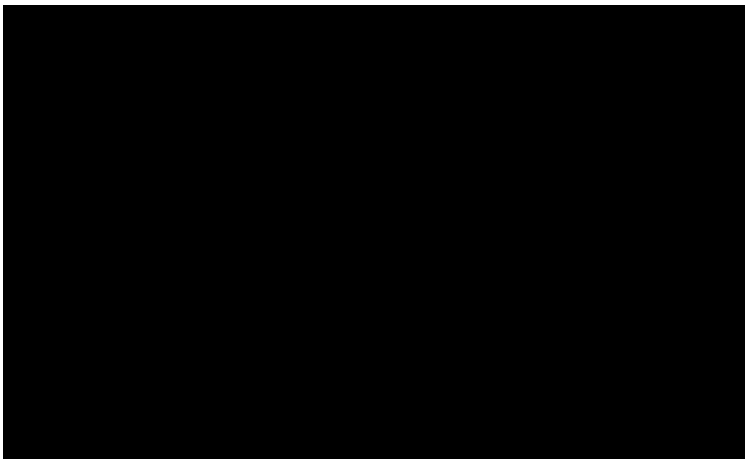
	Note	Expendable endowment £	Restricted £	Designated £	2024 £	Expendable endowment £	Restricted £	Designated £	2023 £
<b>Incoming from:</b>									
Donations and legacies	2	265,600	-	-	265,600	2,786	-	-	2,786
Investments	3	43,176	-	-	43,176	42,197	-	-	42,197
<b>Total</b>		<b>308,776</b>	<b>-</b>	<b>-</b>	<b>308,776</b>	<b>44,983</b>	<b>-</b>	<b>-</b>	<b>44,983</b>
<b>Expenditure on:</b>									
Raising funds	4	(8,903)	-	-	(8,903)	(8,986)	-	-	(8,986)
Charitable activities	4	(56,819)	-	-	(56,819)	(24,025)	-	-	(24,025)
<b>Total</b>		<b>(65,722)</b>	<b>-</b>	<b>-</b>	<b>(65,722)</b>	<b>(33,011)</b>	<b>-</b>	<b>-</b>	<b>(33,011)</b>
Net gains on investments		2,763	-	-	2,763	8,793	-	-	8,793
<b>Net income/ (expenditure)</b>		<b>245,817</b>	<b>-</b>	<b>-</b>	<b>245,817</b>	<b>20,765</b>	<b>-</b>	<b>-</b>	<b>20,765</b>
Transfer between funds		-	-	-	-	9,344	-	(9,344)	-
<b>Net movement in funds</b>		<b>245,817</b>	<b>-</b>	<b>-</b>	<b>245,817</b>	<b>30,109</b>	<b>-</b>	<b>(9,344)</b>	<b>20,765</b>
Total funds brought forward		1,323,454	3,299	-	1,326,753	1,293,345	3,299	9,344	1,305,988
Total funds carried forward	8	1,569,271	3,299	-	1,572,570	1,323,454	3,299	-	1,326,753

**Benevolent Fund**  
**Balance sheet**  
*as at 29 February 2024*

	Note	2024 £	2024 £	2023 £	2023 £
<b>Fixed assets</b>					
Investments	5		1,258,816		1,239,226
<b>Current assets</b>					
Debtors	6	79,733		1,479	
Cash at bank and in hand		236,821		88,723	
			316,554		90,202
<b>Creditors:</b> amounts falling due within one year	7	(2,800)		(2,675)	
<b>Net current assets</b>			313,754		87,527
<b>Net assets</b>			1,572,570		1,326,753
			=====		=====
<b>Funds</b>					
Expendable endowment funds	8		1,569,271		1,323,454
Restricted funds	8		3,299		3,299
Designated funds	8		-		-
			1,572,570		1,326,753
			=====		=====

These financial statements were approved by the Trustees on 17 September 2024.

On behalf of the Trustees



The annexed notes, on pages 63 to 69, form part of these accounts.

## Benevolent Fund

### Notes to the financial statements

#### 1. Accounting policies

##### ***Basis of accounting***

The Supreme Grand Royal Arch Chapter of Scotland Benevolent Fund is a unincorporated Scottish charity. It is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC010082.

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)".

The charity is a public benefit entity as defined by FRS102.

The financial statements are prepared in £ Sterling which is the functional currency of the charity.

##### ***Going concern***

The trustees have considered the future prospects and funding for the charity and believe the going concern basis to be appropriate for the preparation of these financial statements.

The principal accounting policies adopted in the preparation of the financial statements are as follows.

(a) ***Incoming resources***

All incoming resources are included in the Statement of Financial Activities when receipt is probable, the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(b) ***Resources expended***

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. The charity makes a contribution to the General Fund towards administration costs of the Order and the maintaining of the accounting records of the charity. The contribution has been allocated between support costs and governance costs with audit and accountancy costs being allocated to governance.

(c) ***Investments***

Investments are included at market value at the year end.

Realised gains and losses, representing the difference between sale proceeds and market value at the previous financial period end, or purchase cost if acquired during the financial year are dealt with in the statement of financial activities. Unrealised gains and losses, representing the movement in the market value of investments over the financial year, or from their date of purchase if acquired during the year, are dealt with year in the statement of financial activities.



## Benevolent Fund

### Notes to the financial statements *(continued)*

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

- Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk: this comprises currency risk, interest rate risk and other price risk.
- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Charity has exposure to these risks because of the investments it makes to implement its investment strategy. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Charity's strategic investment objectives. These investment objectives and risk limits are implemented through the investment manager agreements in place with the Charity's investment managers and monitored by the Trustees by regular reviews of the investment portfolios.

Further information on the Trustees' approach to risk management and the Charity's exposure to credit and market risks are set out below.

#### ***Credit Risk***

The Charity invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

#### ***Analysis of direct credit risk***

Direct credit risk arising from pooled investment vehicles 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 arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager. Pooled investment arrangements used by the Charity comprise authorised unit trusts.

#### ***Currency risk***

The Charity is subject to currency risk because some of the Charity's investments are held in overseas markets.

#### ***Interest rate risk***

The Charity is subject to interest rate risk through investments comprising bonds.

#### ***Other price risk***

Other price risk arises principally in relation to equities held in pooled vehicles. The Charity manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

## Benevolent Fund

### Notes to the financial statements *(continued)*

(d) ***Fund accounting***

Expendable endowment funds relate to funds held in investments, which are available to be spent at the discretion of the Trustees. The purpose of the funds being to support the general objectives of the charity.

Designated funds are unrestricted funds which have been earmarked by the Trustees for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or grant provider.

## Benevolent Fund

### Notes to the financial statements *(continued)*

#### 2. Donations and legacies

	Total 2024 £	Total 2023 £
General donations	600	2,786
Legacy	265,000	-
	<b>265,600</b>	<b>2,786</b>

#### 3. Income from investments

	Total 2024 £	Total 2023 £
<b><i>Income from investments</i></b>		
Dividends from investment	40,407	42,013
Bank interest	2,769	184
	<b>43,176</b>	<b>42,197</b>

#### 4. Expenditure

	Total 2024 £	Total 2023 £
<b><i>Raising funds</i></b>		
Investment manager fees	8,903	8,986
<b><i>Donations and grants – unrestricted</i></b>		
Scottish Cancer Foundation	25,000	-
PGL of Forfarshire – flood appeal	1,000	-
Operation Smile	10,000	-
	<b>36,000</b>	-
Grants and retiring allowances	1,000	3,620
<i>Support costs</i> - Contribution to General Fund	17,019	15,264
<i>Governance costs</i> – Independent examination and accountancy	2,800	5,141
	<b>56,819</b>	<b>24,025</b>

## Benevolent Fund

### Notes to the financial statements *(continued)*

#### 5. Fixed asset investments

	2024 £	2023 £
Market value at 28 February 2023	1,239,266	1,231,033
Add: Acquisitions at cost	392,275	142,026
Less: Disposals at market value	(385,797)	(145,340)
Unrealised gain on revaluation at 29 February 2024	13,072	11,507
	<hr/>	<hr/>
Market value at 29 February 2024	1,258,816	1,239,226
	<hr/>	<hr/>
Cost	1,108,611	991,586
	<hr/>	<hr/>

#### *List of fixed asset investments*

Sector	Market value at 29/02/2024 £
UK Fixed Interest	158,571
Overseas Fixed Interest	111,833
UK Equities	249,641
European Equities	51,457
North American Equities	253,994
Japanese equities	52,236
Far East & Australasian Equities	64,940
International Equities	52,633
Emerging Economies	25,167
UK Property	61,216
Alternative Assets	151,389
Other Alternative Assets	25,739
	<hr/>
	1,258,816
	<hr/>

#### 6. Debtors

	2024 £	2023 £
Amounts due from the general fund	14,701	1,465
Accrued interest	32	14
Accrued income	65,000	-
	<hr/>	<hr/>
	79,733	1,479
	<hr/>	<hr/>

## Benevolent Fund

### Notes to the financial statements *(continued)*

#### 7. Creditors: Amounts falling due within one year

	2024 £	2023 £
Accruals	2,800	2,675
	<hr/>	<hr/>
	<b>2,800</b>	<b>2,675</b>
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## Benevolent Fund

### Notes to the financial statements *(continued)*

#### 8. Funds

	At 28 February 2023	Income	Expenditure	Gains/ (Losses)	Transfers	At 29 February 2024
	£	£	£	£	£	£
Expendable endowment funds	1,323,454	308,776	(65,722)	2,763	-	1,569,271
Restricted funds: Woodland Trust	3,299	-	-	-	-	3,299
Designated funds	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total funds	1,326,753	308,776	(65,722)	2,763		1,572,570
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	At 28 February 2022	Income	Expenditure	Gains/ (Losses)	Transfers	At 28 February 2023
	£	£	£	£	£	£
Expendable endowment funds	1,293,345	44,983	(33,011)	8,793	9,344	1,323,454
Restricted funds: Woodland Trust	3,299	-	-	-	-	3,299
Designated funds	9,344	-	-	-	(9,344)	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total funds	1,305,988	44,983	(33,011)	8,793	-	1,326,753
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The Woodland Trust Scotland works to plant and halt the loss of native woods and trees, restore existing woodland to peak condition and halt loss of ancient woods.

The Designated fund relates to a contribution from the expendable endowment fund for the Iris Murdoch Research Centre, a project the Charity has chosen to support for its Bicentenary appeal. This project is now completed and the excess funds have been directed back to the endowment.

## Benevolent Fund

### Notes to the financial statements *(continued)*

#### 9. Analysis of net assets between funds

2024	Expendable endowment funds £	Restricted Funds £	Designated funds £	Total funds £
Investments	1,258,816	-	-	1,258,816
Net current assets	<u>310,455</u>	<u>3,299</u>	<u>-</u>	<u>313,754</u>
	<u>1,569,271</u>	<u>3,299</u>	<u>-</u>	<u>1,572,570</u>
2023	Expendable endowment funds £	Restricted Funds £	Designated funds £	Total funds £
Investments	1,239,226	-	-	1,239,226
Net current assets	<u>84,228</u>	<u>3,299</u>	<u>-</u>	<u>87,527</u>
	<u>1,323,454</u>	<u>3,299</u>	<u>-</u>	<u>1,326,753</u>

#### 10. Trustees' remuneration

No Trustees are remunerated. The Grand Scribe E receives an annual salary for the performance of his duties set out in the Constitutions and Laws, from the General Fund.

#### 11. Related party

During the year the charity made a payment in the sum of £17,019 (2023: £15,264) to the General Fund toward administration and governance costs of the Order and the maintaining of the accounting records of the Benevolent Fund. Included in debtors are amounts due from the General Fund of £14,701 (2023: £1,465)