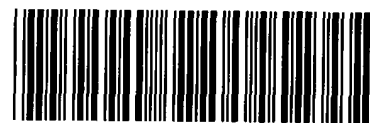




THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
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FOR THE YEAR ENDED
31 MARCH 2020

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COMPANIES HOUSE

Caring is our way of life

Registered Charity No: 1163245 | Company No: 1293566
60 Great Queen Street
London, WC2B 5AZ
www.rmbi.org.uk

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
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FINANCIAL OVERVIEW

The Royal Masonic Benevolent Institution Care Company had a good year financially, seeing growth in income from care home operations and rising Masonic support in the form of donations and legacies through the parent charity. However, our charity was also affected by overall trends in the care industry, which adversely impacted our costs, and by the adverse performance of investment markets mainly as a result of the pandemic, which reduced the value of our portfolio.

Income from charitable activities - almost all of which is generated by our care homes - increased by more than 5% to £45.4 million. As in previous years, payments from Local Authorities towards the care of our supported residents were far lower than the cost of providing high quality care. As a result, the RMBI Care Company provided charitable support for residents of over £10 million to cover this shortfall.

The generous contribution from the Masonic community through donations, legacies and donations through the parent charity totalled £5.3 million, up 2% from the previous year, whilst income from investment and other activities amounted to £1.5 million.

Offsetting care home income growth was a 9% increase in Homes' running costs - a large portion of which were staffing costs. In our homes, and throughout the care industry, residents have increasingly complex care needs. This, coupled with ongoing regulatory changes, has driven a need for higher staffing levels to ensure we continue to provide high quality care. Prudent cost management has been, and will continue to be, a priority for the RMBI Care Company, including investing in computer systems to make our Homes more efficient.

The RMBI Care Company invested nearly £3 million in improving care homes by refurbishing existing facilities and maintaining properties to the highest possible standards; providing our residents with a pleasant and comfortable environment. In addition, £1.1 million was invested this year on a brand new care home, which is being built in Berkshire.

The value of the RMBI Care Company's investment portfolio, inclusive of social investments, decreased in 2019-20 to £35.1 million. This decrease, after drawdown, reflected the overall decline of the broader financial markets last year.

As a post balance sheet event, RMBI Care Company has evaluated the impact of the pandemic on the operations of the charity and the Trustees do not consider there to be any future concerns. For this reason the financial statements were prepared on a going concern basis.

Prior to the pandemic, the RMBI Care Co Board held a clear and agreed strategic position, which included the review and potential closure of a number of loss-making sites with the introduction of new services to include a mix of retirement communities and specialist care homes focused on nursing and dementia. In the light of the crisis there is now a requirement to review the strategic objectives of the charity. Medium and longer-term strategic priorities, including the ambition of the charity to enter the retirement community market and potential care home site acquisition, will continue to be reviewed by the RMBI Care Company.

Our focus on providing high quality care for our residents remains unchanged and we look forward to the continued support of the Masonic community.

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REPORT OF THE TRUSTEES

The Trustees -who are also Directors of the Charity for the purposes of the Companies Act 2006 - present their combined Directors and Trustees report with the financial statements of the Charity for the period ended 31 March 2020. The Trustees have adopted the provisions of 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) (effective 1 January 2015).

Grand Officers, Trustees and Directors

Grand President

The Most Worshipful the Grand Master, HRH the Duke of Kent, KG, GCMG, GCVO, ADC
Deputy Grand Presidents

The Pro Grand Master	MW Bro PG Lowndes
The Deputy Grand Master	RW Bro J Spence
The Assistant Grand Master	RW Bro Sir David Wootton

Grand Vice Presidents

RW Bro DA Buswell	VW Bro CJ Caine
W Bro PE Cornish	RW Bro JE Moore
VW Bro JH Newman OBE	RW Bro RJ Race DL
W Bro J Reuther	VW Bro Willie Shackell CBE
VW Bro RJ Wade	W Bro D Vine
W Bro RW Marks	Mr DR ff Innes

RMBI Care Company Board Members (Trustees)

VW Bro Sir Paul Williams OBE KStJ DL	Chairman
W Bro J Boyington CBE	Deputy Chairman
W Bro R.W. Marks	Treasurer, resigned July 2019
W Bro I Newby	Director
W Bro S Radia	Treasurer, appointed September 2019
W Bro Dr J.W.A. Reuther	Director, resigned July 2019
Mrs S Short OBE	Director
W Bro D Southern	Director
Mrs S Shepherd	Director, resigned July 2019
W Bro D Snowdon	Director
W Bro C.G. White	Director
W Bro Dr K.R. Williams	Director, resigned December 2019
Ms Charlotte Miller	Director, appointed September 2019
W Bro M Constant	Director, appointed September 2019
W Bro J Smith	Director, appointed September 2019
Mr M Yeats	Director, appointed September 2019
W Bro M Vede	Committee Member, appointed February 2020

The Masonic Charitable Foundation (MCF), as the Corporate Trustee, is able to appoint Trustees to the Board of RMBI Care Company.

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Appointment of Trustees

The Charity has adopted the Charity Commission's guidelines for best practice and has amended the selection process accordingly.

Recruitment of Trustees

The Trustees of RMBI Care Co are appointed by the MCF in accordance with the Articles, all of whom have been considered by the Nominations Committee, recommended by the Chairman and selected by MCF for their skills, experience and status within areas of expertise required by the charity. This includes a Chairman appointed as such by MCF and also a Treasurer appointed as such by the Trustees.

When a person having a specific skill or area of expertise is required to supplement the skills and expertise possessed by the existing Trustees, or to fill a casual vacancy, additional Trustees may be co-opted.

Succession Planning

One third of Trustees stand down each year and can be re-elected for a further term of three years for three cycles up to nine years. Evaluation of the Trustee experience is carried out annually to ensure assessment and review of role. A Board skills audit has been adopted to confirm the skills sets of Trustees and identify any gaps.

Induction and Training of Trustees

New Trustees and Co-opted Members receive a full induction and information on the role requirements and key information on the organisation. Training modules have been introduced through e-learning for all Trustees to undertake, with GDPR and Equal Opportunities Training identified as mandatory.

Principal Committees

Audit and Risk Committee

W Bro M Constant	Chairman from September 2019
W Bro S Radia	Treasurer and Chairman until September 2019
W Bro R.W. Marks	Treasurer, resigned September 2019
W Bro C.G. White	Trustee
W Bro J Smith	Trustee, appointed September 2019
W Bro M Bevan	Committee Member
Mr M LLoyd	Managing Director
Mr L Ranasinghe	Finance Director

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Property and Development Committee

W Bro D Southern	Chairman
W Bro I Newby	Trustee
Mrs S Short OBE	Trustee
W Bro D Weidner	Committee Member
W Bro N Parlett	Committee Member
Mr M LLoyd	Managing Director
Mr K Harris	Development Director
Mr M Nelson-Smith	Property Director

Finance Committee

W Bro R.W Marks	Chairman resigned September 2019
W Bro S Radia	Chairman since September 2019
W Bro C White	Trustee
W Bro M Constant	Committee Member until September 2019 and now Trustee
W Bro J Smith	Trustee appointed September 2019
W Bro M Bevan	Committee Member
Mr M LLoyd	Managing Director
Mr L Ranasinghe	Finance Director

Care and Quality Committee

VW Bro J Boyington CBE	Chairman resigned January 2020
W Bro I Newby	Chairman since January 2020
Mrs S Short OBE	Trustee
W Bro D Snowden	Trustee
Mrs S Sheppard	Trustee resigned September 2019 and now Committee Member
Mr M Yeats	Committee Member until September 2019 and now Trustee
Mr M LLoyd	Managing Director
Mrs L Bateman	Human Resources Director
Mrs K Salley	Care Operations Director

Senior Leadership Team (Executive Management)

Mr M LLoyd	Managing Director
Mrs L Bateman	Human Resources Director
Mr K Harris	Development Director
Mr M Nelson-Smith	Property Director
Mr L Ranasinghe	Finance Director
Mrs K Salley	Care Operations Director

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Remuneration of Executive Management

The Charity's policy is to reward Executive Management according to their expertise and experience. The Executive Management's benefit package comprises of a basic salary, pension contribution, car allowance or company car and private health provision.

Basic salaries are reviewed annually against the charity sector as well as the wider professional market and information is presented to the RMBI Managing Director and Chairman for their consideration and then to the MCF Remuneration Committee. No member of the Executive Management is able to make a decision on their own pay.

Actuaries and Consultants

First Actuarial LLP, Mayesbrook House, Lawnswood Business Park, Leeds, LS16 6QY

Auditors

Knox Cropper LLP, Chartered Accountants, 153-155 London Road, Hemel Hempstead, Hertfordshire, HP3 9SQ

Investment Advisors

Asset Risk Consultants Limited, 7 New Street, St. Peter Port, Guernsey, GY1 2PF

Investment Managers

Fulcrum Asset Management LLP, Marble Arch House, 66 Seymour Street, London, W1H 5BT

Royal London Asset Management Ltd., 55 Gracechurch Street, London, EC3V 0UF

Sarasin & Partners LLP, Juxon House, 100 St. Paul's Churchyard, London, EC4M 8BU

Waverton Investment Management Ltd., 21 St. James Square, London, SW1Y 4HB

Solicitors

Bates Wells Braithwaite, 10 Queen Street Place, London, EC4R 1BE

RadcliffesLeBrasseur, 85 Fleet Street, London, EC4Y 1AE

Forbes Hall, New City House, 71 Rivington Street, London, EC2A 3AY

Womble Bond Dickenson, 4 More London Riverside, London, SE1 2AU

Governance Structure and Management

The Royal Masonic Benevolent Institution Care Co is a company limited by guarantee, having no share capital. It is governed by Memorandum and Articles of Association.

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Objects

The Objects of the Charity are to relieve the need, suffering and distress of the Beneficiaries and for that purpose:

- (a) To support Beneficiaries who are in need of financial assistance from the Charity;
- (b) To provide Beneficiaries with accommodation in residential care facilities or sheltered accommodation and make available such care as may be required; and
- (c) To provide such other benefits to Beneficiaries as the Trustees shall from time to time think fit.

The prime objective is achieved by running fifteen care homes, one learning and or/physical disability service in England and two care homes in Wales, and financially supporting those who are unable to pay for the full cost of care.

The Charity has a multi-tier structure with each of the Directors responsible for the management and setting of objectives for their teams informed by the annual Corporate Plan.

Trustees

The Trustees as Charity Trustees and Directors under the Companies Act have control of the Charity and its property and funds.

Decision Making

The Strategic Direction of the RMBI Care Co is set by the Board of Trustees who meet bi-monthly. The delivery of the Board approved Corporate Plan rests with the Senior Leadership Team (SLT), which includes the safe delivery of care and the meeting of agreed budget requirements. Full and detailed reports by the Executive are presented bi-monthly to the Board on progress made against key strategic and operational targets. The SLT meet bi-weekly to review and manage all aspects of the business delivery.

Risk Management

A Corporate Risk Register is overseen by the Managing Director and SLT which includes monthly analysis and quarterly review including the identification of key risks to the business. This is monitored by each Committee, with headline risks reported to the RMBI Care Co Board and to the parent body, the MCF Board, to ensure clear governance visibility and oversight. Through the Property Director, clear policy and procedures are in place for the management of all tenders and procurement against agreed standards.

All 18 care homes are regulated and inspected by the CQC in England and CIW in Wales with published reports in the public domain. The RMBI Care Co also undertakes its own internal inspections for care, health & safety, property, and employment matters. Each care home has in place a Continuous Improvement Plan (CIP) which is informed by external and internal inspection. A strong and robust set of regulatory outcomes were achieved during the year, placing the RMBI Care Co in the top quartile of Home Providers.

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Governance and Committee Structure

Four Committees are constituted, each reporting to the RMBI Care Company Board. During 2018/19 the terms of reference for all Committees were reviewed and updated by the RMBI Care Company Board. The Committees are:

- Audit and Risk Committee
- Finance Committee
- Property & Development Committee
- The Care and Quality Committee

Each Committee meets on a quarterly basis (supported by the relevant lead Director), with each Chairman reporting back to the main Board on key matters.

Each Committee has its own dashboard to highlight key performance indicators which, in turn, are reported to the main Board.

Corporate Financial Management

The Charity has four subsidiaries: RMBI Trading Ltd, Stability Investments Ltd, RMBI (Settlement) Limited and 19/21 GQS Limited whose boards contain Trustees that serve on the RMBI Care Company Board and Senior Leadership Team members.

- RMBI Trading Ltd – a design and build Project Management Company established to develop all our new build properties.
- Stability Investments Ltd – Established for the development of one of the Charity's properties.
- RMBI (Settlement) Limited – Established in August 2017 to purchase welfare services, i.e. for the provision of residential and other care, from Local Authorities, Government Departments and other agencies.
- 19/21 GQS Limited – Established in January 2019 to manage and operate properties.

Indemnity Insurance

Indemnity Insurance was taken out for the Trustees and the cost to the RMBI Care Co was £22k (including Insurance Premium Tax). In 2018/19, the cost was £19k.

Objectives and Activities

Mission

The RMBI Care Co provides residential, dementia, respite and nursing care across 17 locations for older people and younger learning and or/physical disability services at one location with a combined total of 1,121 placements. Our mission is to provide unique individual care, with kindness, support and trust helping deliver a service that we can all be proud of in making a real difference to people's everyday lives.

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During 2019/20 around 600 new admissions took place with the average age on entry now 90 and with 35 individual residents now over 100 years of age.

Operational success included delivering strong compliance outcomes through the regulators, CQC (England) and CIW (Wales). 3 Homes achieved 'outstanding' and 13 'good' in England and the 2 Welsh homes were 'fully compliant'.

The Development Team led on our first new build project at Lord Harris Court, Reading with a successfully planning application and build commencement in January 2020 and delivery of refurbishment projects at Ecclesholme, Manchester and Devonshire Court, Leicester.

The Property Team continued to roll out of comprehensive health and safety works at a number of Homes connected to fire compartmentalisation and asbestos removal, with particular success in progressing major fireworks upgrades at James Terry Court, Croydon through works undertaken by Balfour Beatty.

The Human Resources Team achieved 90% mandatory training outcomes across all the Homes, the progression of mental health and well-being initiatives to support our workforce, as well as the upgrade of our KRONOS systems to monitor and track shift patterns.

The Finance Team introduced new client contracts, taking into account the recommendations of the CMA on transparency in fees and annual fee uplifts, automated cloud-based, Expense and Corporate Card Management system and prepared the ground work for an upgrade of the SUN reporting system.

Beneficiaries and Public Benefit

The Charity takes great care to ensure that applications for residence in the care homes are considered fairly and without prejudice: based on actual assessed need and a new dependency tool. The majority of admission decisions are made and applied by individual Home Managers. Only exceptional cases relating to financial hardship are referred to Trustees for approval. Up to 20% of all placements are for non-freemasons, reflecting the diversity and added value to the wider community of our services.

The services provided are available to those with financial means or limited financial resources. The RMBI Care Co complies with the Charging for Residential Accommodation Guide (CRAG) issued by the Department of Health. The resident numbers are split broadly 65:35 into those who are self-funding and those who are placed and funded by Local Authorities.

Activities

The primary activity is the provision of 1,121 registered beds for residential, dementia and nursing care in the 17 Homes throughout England and Wales and 1 Home for people with a physical and/or learning disability. The Charity employs around 1,500 staff to meet support and care needs.

Non Operational Properties

In addition, the Charity runs approximately 72 non-operational properties, including some sheltered units for those who seek independence with minimal care provided.

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Planning approval has been requested to refurbish ten apartments at Connaught Court, York. Planning approval has been granted for vacant land held at Bocking in Essex with the intention to dispose in 2020/21.

The charity holds the freehold of 19/20 Great Queen Street which were the former head offices. Through a Special Purpose Vehicle with Latis Homes, the Stability Investment Limited, a subsidiary, was established to build four apartments for sale and the offer of a leasehold shop front. In 2019/20 Walker Slater took possession of the leasehold shop front at 19 Great Queen Street, with the apartments in 20 Great Queen Street to be marketed for sale in 2020/21.

Maintaining High Standards

Achievements and Performance

- In 2019/20 the charity achieved 'top marks' in the national independent 'Your Care Ratings' survey, with above 95% resident satisfaction www.yourcareratings.org/survey-results/. A number of individual homes achieved 100% ratings;
- In 2019/20 Care Home Awards rated RMBI Care Co a top 20 medium sized provider based on recommendations for the third year running www.carehome.co.uk/awards/;
- In 2019/20 the RMBI Care Co became one of very few care companies to achieve 100% full compliance with the regulator, including 3 'outstanding' successes at Devonshire Court, Leicester, Connaught Court, York, and Prince Michael of Kent Court, Watford

Impact Report

For the past 2 years the RMBI Care Co has adopted the publishing of an Impact Report to demonstrate and evidence the difference being made to people's lives who use our services. This is published each September for the previous year.

Key Performance Indicators (KPIs)

Dashboard KPIs across all the RMBI Care Co services have been introduced as a means for the Board to monitor progress in all key areas of the business. Overarching dashboards for Operations, HR, and Property are in place, including health & safety requirements and monitoring.

The Corporate Risk Register acts as the KPI for quarterly review by the SLT, with the top ten priorities reviewed and discussed with key Committees and Boards.

Valuing Our Staff

The culture and values of the charity remain underlined by the core principles of being Kind, Supportive and Trusted.

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All Directors ensure they have regular team meetings to provide their functional teams with an understanding of our financial performance and strategic business plans. In addition to this there are a number of internal communication approaches including a monthly newsletter which has an update from the Managing Director.

There are two staff forums both chaired by the HR Director, meeting at least twice a year. The one for our Homes based staff is a group of nominated individuals from all locations representing colleagues, and is attended by members of the senior management team as well as the Managing Director and Care Operations Director. The staff forum receive business updates including information on the Charity's performance, sector comparisons, projects and other initiatives. The majority of the meeting is to listen to the staff representatives and receive their views, questions and suggestions. Our Head Office and National roles have a joint staff forum with colleagues from our Parent Charity, the Masonic Charitable Foundation, which is structured in the same way.

Bi-annually we issue an Employee Engagement Survey to gain views and comments from our staff on their views of working for the Charity. The last survey was launched in 2019 and we were pleased to receive scores that reflect high engagement and in comparison to our sector scores that were above the median quartile and in some areas at the upper quartile level.

At Home level our Regional Operations Managers offer the opportunity for staff to meet them and discuss matters that are important to them via staff surgeries. Each Home Manager holds regular Staff Meetings to provide their teams with local home updates as well as gaining staff views.

Since 2014 we have had an employee recognition scheme in place called OSKAR which stands for "Outstanding Service Kindness and Respect". Nominations are received from management, staff, relatives and residents where they explain the reason for nominating an individual and how they have demonstrated the principle of the award. These are reviewed each month by the Directors, who vote for a winner, who then receives a monetary reward. Each of the monthly winners are then reviewed to determine the annual winner, this individual also receives a monetary reward from the Charity in recognition of his/her outstanding contribution.

All employees receive an Employee Assistance Programme which provides them with access to a range of health and wellbeing platforms, counselling support and discounts to a range of UK retailers.

Relationship with Suppliers and Contractors

Building strong relationships with suppliers and contractors enables the Charity to maximise the provision of services to our residents. Our Procurement, Development and Care Operation teams closely co-ordinate with the supply chain and develop deeper and strategic relationship with key suppliers and contractors.

Our suppliers and contractors are part of the Charity's strategic decision making process with regard to procurement and new build projects. We share insight into what our current and future residents want and our partnership with contractors and suppliers delivers success through value creation ensuring new services incorporate best practice, are fit for purpose, and as far as is practicable are future proofed.

The Charity ensures that the main suppliers and contractors are certified, having gone through a rigorous vetting process including quality, financial, sustainability and modern slavery checks in order to ensure that the right products and services are delivered to our care homes. The payment to suppliers and contractor are made well within the agreed credit terms.

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Association of Friends and Volunteers

The Charity owes a great deal of debt and gratitude to the tremendous support and work of volunteers and the links each Home has with Associations of Friends. A big thank you is required to each and every one of the Freemasons and their families, who are members of the Associations of Friends who work very closely with our care homes throughout England and Wales. In more ways than it is possible to express here, each member provided comfort and reassurance to our residents; particularly those with minimal or no contact with relatives. The principal link with volunteers remains Doctor John Reuther, ably assisted by his wife Maggie. Thanks are due to both for their continued efforts throughout the year.

Freemasonry Support

Acknowledgements and thanks are made to the wider support received from the freemasonry community in England and Wales. Through our parent company the Masonic Care Foundation (MCF), grant support is received annually to support freemasons and their dependents placed in our Homes and funded by Local Authority fees.

Special thanks in 2019/20 go to the Province of Suffolk who closed their festival in raising funds for the charity and to the Provinces of Northumberland and South Wales who remain in festival.

Investing for the Future

During 2019/20 the RMBI Care Co joined ARCO (Associated Retirement Community Operators) and has undertaken modelling work in order to enter the retirement community sector in the future, offering leasehold property with care and support provided. These plans will be progressed and reviewed in 2020/21.

Sharing Best Practice

At a national level, the RMBI Care Co continued to work closely with regulatory and representative bodies to ensure full awareness of all the latest developments in the sector. Links with research bodies exploring latest thinking in dementia care and the advent of digital technologies are being pursued (including the introduction of hand-held smart phone technology for care workers). Through our trade associations, the National Care Forum (NCF), and ARCO the RMBI Care Co keeps up to date with current policy and thinking in the social care and retirement community sectors.

Plans for the Future

Prior to the COVID-19 Strategy the RMBI Care Co Board held a clear and agreed strategic position, which included the review and potential closure of a number of loss-making sites alongside the introduction of new services. These would include a mix of retirement communities and specialist care homes focused on nursing and dementia. In the light of the crisis there is now a requirement to review the strategic objectives of the charity, with the following core priorities in the coming year:

- Achieve a full recovery of our care homes through continuing to maintain health and safety protocols and continued investment in PPE, ensuring protection of our residents and staff at all times in anticipation of further virus spikes;

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- Investment in innovative schemes including partitioned visiting rooms to enable family access;
- Review of National and Regional working and continued use of conference digital platforms and roll out of technology advancement in the Care Homes;
- Completion of the new 45-bedded Lord Harris Court Care Home;
- Commence the Board approved refurbishment project at QEC, Llandudno;
- Sale of Penthouse Apartment at 20 Great Queen Street;
- Sale of land at Bocking, Essex;
- Review of phase two of the Retirement Community Development at Lord Harris Court.

Medium- and longer-term strategic priorities (including the ambition of the charity to enter the retirement community market and potential care home site acquisition) will continue to be reviewed by the Board.

Donations and Fundraising

Every pound donated to the RMBI Care Co goes towards looking after the people who use our services. Additionally we cannot forget staff members in the Homes who continue to do a fantastic job supporting the RMBI Care Co through organising various fundraising activities, demonstrating that every penny really does count.

Legacy Gifts

Legacy gifts contribute a significant amount to our charitable income and are gratefully received.

Investment Performance

The parent charity, Masonic Charitable Foundation (MCF), implemented its global investment strategy on behalf of the RMBI Care Co during the last financial year. The MCF sponsored the launch of the Masonic Charitable Foundation Investment Fund CAIF, which took place on 1st October 2018. This is a unit trust with a highly efficient tax wrapper, in which the MCF and all its subsidiary charities own their shares in the form of units. Units will be sold as required in order to top up the Cash Reserve on a quarterly basis. The investment strategy is directed for "Steady Growth", which is a medium-high risk strategy. Risk is managed through diversification, with the funds split between four different fund managers operating on multi asset mandates, but utilising differing investment management styles. The overall fund manager is Thesis Unit Trust Management Limited and the custodian is Northern Trust.

The asset allocation for the CAIF was amended on 1st April 2019 by the investment committee following advice from Asset Risk Consultants. The strategic and actual asset allocations as at 31st March 2020 are shown in the table overleaf:

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Asset Class	Strategic Allocation	Benchmark	Actual 31 st March 2020
Cash	0.00%	7 day LIBID	3.80%
Fixed Income	7.50%	FTSE UK World Gov. Bond Index GBP	6.80%
International Equity	28.75%	MSCI World ex UK NR GBP	54.10%
Int'l Equity GBP hedged	12.00%	MSCI World ex UK Hedged NR GBP	3.90%
U.K. Equity	18.00%	MSCI UK Equity NR GBP	19.60%
Emerging Market Equity	12.50%	MSCI Emerging Markets Equity NR GBP	2.90%
Global Equity Hedge	13.75%	HFRX Global Equity Hedge GBP	0.00%
Alternative Investments	3.75%	HFRX Global Hedge Fund GBP	6.50%
Property	3.75%	IA UK Direct Property TR	2.40%
	100.00%		100.00%

In order to balance property exposure across all the MCF subsidiaries, the Charity also made a direct investment into the CCLA property fund.

Performance under the new arrangements is shown in the table below. Note that performance for periods before launch on 1st October 2018 is derived from the historical returns of the constituent fund managers:

Fund at 31st March 2020	MCF CAIF	RLAM Short Term	RLAM Cash Plus	RLAM Enhanced	CCLA
Investment approach	Steady Growth Multi-Asset	Capital Protection	Capital Protection	Capital Protection	Income & long-term Capital Growth
Benchmark	Composite	7 day LIBID	7 day LIBID	7 day LIBID	MSCI/AREF UK other balanced property
Peer Group	ARC Charity GBP Steady Growth	None	None	None	ARC Charity GBP Steady Growth
Return for the year	-5.80%	0.82%	0.63%	0.46%	3.40%
Benchmark return for year	-8.20%	0.71%	0.68%	0.68%	-1.60%
Peer group return for year	-7.90%	N/A	N/A	N/A	N/A
3 year return	1.70%	1.87%	2.02%	2.51%	20.00%
3 year benchmark	-2.10%	1.45%	1.39%	1.39%	7.70%
3 year peer group	-3.50%	N/A	N/A	N/A	N/A

Worldwide stock-markets collapsed in March following the COVID-19 outbreak and the CAIF fell by 21% from a high point of £112 per unit in February to a low point of £88 per unit on

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23rd March. It has recovered strongly in the early part of the new financial year both in absolute terms and relative to its peer group and benchmark.

Streamline Energy and Carbon Reporting

The following table summarises the RMBI Care Company (RMBICC) reporting requirements under the Government's Streamlined Energy and Carbon Reporting (SECR).

UK Greenhouse gas emissions and energy use data for the period 1 April 2019 to 31 March 2020	2019/20	Units
Energy Consumption used to calculate emissions	27,769,022	kWh
Energy Consumption break down		
Gas	22,237,373	kWh
Electricity	5,322,360	kWh
Transport fuel	134,892	kWh
Scope 1 emissions		
Gas consumption	4,101	tCO2e
Owned transport	98	tCO2e
Scope 2 emissions		
Purchased electricity	1,360	tCO2e
Scope 3 emissions		
Business travel in employee owned vehicles	82	tCO2e
Total Gross emissions	5,641	tCO2e
Intensity Ratio	5.75	tCO2e/FTE

Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used mainly 2019 UK Government's Conversion Factors for Company Reporting. We have used the 2020 UK Government's Conversion Factors for Company Reporting only for conversion of fuel to kWh.

Intensity ratio

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per full time employee (FTE). During 2019/2020 the number of FTE for RMBICC was 981.

Energy efficiency Actions

Since March 2019, RMBICC has been working with Lantern (UK) Ltd as their trusted sustainability partner. We have initiated a number of sustainability projects to help us understand and reduce our environmental impact and emissions. We have concentrated on addressing energy consumption within our care homes.

During 2019/20 we carried out environmental health checks for all care homes as well as sustainability audits for three of our care homes, which were followed by in-depth action plans for reducing energy use and emissions.

As part of our work we have engaged our Senior Leadership team (SLT) in a behaviour change programme (which has included a sustainability workshop) in order to devise a plan of action with clear objectives and targets. Through this process we have also prepared a sustainability statement for RMBICC which will be formalised and approved during 2020-21.

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Section 172 (1) Statement

As outlined under various sections of this report, the Trustees of the Charity are well aware of their duty under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to provide the success of the Charity for the benefit of its members as a whole and, in doing so, to have regard (among other matters) to:

- the likely consequence of any decision in the long term,
- the interest of its employees,
- the need to foster the business relationship with suppliers, residents and their families and others,
- the impact of the operations on the community and the environment,
- the desirability of maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Charity.

Financial Review

The summary Statement of Financial Activities for the year ended 31 March 2020 is set out below.

Income

The total incoming resources amounted to £52.2m (2018/19: £50.0m). The major streams of income are detailed below:

Streams of income	2019/20 £m	% of income	2018/19 £m
Income from Residents' Fees	45.4	87	43.0
Donations and Legacies	5.3	10	5.2
Investment & Other Income	1.5	3	1.8
Total	52.2	100	50.0

A total of £144k (2018/19: £126k) was spent in generating donations and investment income.

Resources Expended

Operating expenditure for the year amounted to £57.1m (2018/19: £52.6m) whilst the Governance costs amounted to £0.7m (2018/19: £0.7m).

In our care homes and throughout the social healthcare sector, complexity in the care needs of residents has been increasing. In addition, ongoing regulatory changes have driven a need for higher staffing levels to ensure provision of high quality care. The industry-wide difficulty in recruiting qualified care staff has also contributed to the above inflation cost increase.

Net Operating Position

Net operating expenditure of the RMBCI Care Co amounted to £7.0 million (2018/19: £1.1m). These figures included: net loss on investment assets of £1.2 million, impairment adjustment of £0.89 million in order to represent the realisable value of one of the properties (which is in the process of being sold).

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In addition, the actuarial gain on the defined benefit pension scheme amounted to £0.97m (2018/19: £0.01m).

The overall net movement in funds for the year was an outflow of £6.0 million (2018/19: £1.0m).

Capital Development

During 2019/20 £4.1 million was spent on capital programmes.

The significant project expenditures during the year were:

- New build project (Lord Harris Court) : £1.15m
- Connaught Court – property improvements : £0.76m
- Albert Edward Prince of Wales Court - property improvement : £0.29m
- Cadogan Court - building refurbishment: £0.24m
- Cornwallis Court - building refurbishment : £0.23m
- Lord Harris Court - property improvements : £0.17m
- Zetland Court - property improvements : £0.15m
- Shannon Court – property improvement : £0.15m

In addition, £1.7 million was invested on computers, equipment and motor vehicles to enhance operational efficiency.

COVID-19 and the Post Balance Sheet Impact:

As a charity, we acted quickly in March 2020 to the emerging threat of COVID-19. This included sourcing Personal Protective Equipment for around 1,500 staff across our 18 care homes in England and Wales. With the support of our residents' families, we restricted visitor access to protect our residents, implemented temperature checks for all residents, all staff and also essential visitors and provided daily guidance on practice. RMBICC also implemented a 14 day isolation period for any resident with symptoms of COVID-19 or returning from hospital.

As of Monday 15 June 2020 no cases of covid-19 have been reported in the Homes but we remain vigilant through strong infection control protocols and PPE provision should further outbreaks occur. Whilst this is an extremely fortunate position to be in, our staff are working incredibly hard day and night to ensure the necessary infection prevention and control measures are in place to prevent any further outbreaks. Sadly, we have had 35 residents pass away following positive COVID-19 tests and our thoughts are with all their families and friends during this difficult time. We have also had over 70 residents, many in their 90s, go on to make a full recovery.

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The Trustees have evaluated the impact of the pandemic on the operations of the charity, which is to provide residential care, nursing care and residential dementia support to older Freemasons, their families and people in the wider community.

The income has reduced by 5.4% post-year end due to a reduction in occupancy (6.8%). The Homes operating costs were 9.8% higher, mainly as a result of emergency purchase of Personal Protective Equipment (PPE) and increased staff numbers to look after COVID-19 residents. Our parent Charity Masonic Charitable Foundation has formally agreed to make an additional grant of £5m to support the Charity's operational cash flow. The market value of investments also increased by 9.3% post year-end.

The Trustees do not consider there to be any going concern issues and for this reason the financial statements have been prepared on a going concern basis.

Principal Risks and Mitigation

The principal risks identified and agreed actions to mitigate are shown in the following table:

	Risk	Consequence	Mitigation - Likelihood	Mitigation - Impact
1	Pandemic and / or Epidemic Outbreak	Rapid transmission of illness/physical impacts. Significant reduction in operational staff, business critical partners and external services leaving the service unsafe for residents. Loss of life. Resulting reduced occupancy, psychological impacts, loss of reputation, financial impacts, loss of Home. Insufficient provision of medical support increasing impacts of pandemic.	Continuity Plan Group (CPG) to manage response to pandemic outbreak. Response protocols, Contingency Plans and Business Continuity Plan to be in place, up to date and regularly reviewed. Procurement team to manage and maintain sufficient stocks of basic PPE. Business Critical Partners / Supplier continuity plans known and kept up to date. Isolation and zoning procedures in place.	IPC training and independent auditing provided by external supplier. Regular internal IPC auditing. Continued monitoring of information and guidance issued by relevant authorities / agencies. Liaison with bank staff and agencies to secure sufficient staffing levels. Monitoring of resident and staff health with supporting protocols around relevant signs and symptoms. Safe visitor spaces. Reduction in non-essential footfall.
2	Financial viability as a result of Covid-19	Estimated risk of a 20% drop in occupancy or £6m income loss due to a first and second spike of the virus.	Recast budget with measures to offset loss, including an emergency £5m MCF Grant and £10m overdraft facilities with Barclays Bank.	Proactive stance on marketing through UGLE, MCF, and launch of new website backed up with positive news stories on innovative thinking including visitor rooms. Recast budget provides a 'worst case scenario'
3	Head Office and National Team	Immediate loss of access to Head Office	Excellent planning to implement video conference calling, roll out	Productivity and culture change has been extremely positive, backed up by good

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	Function	and Care Homes.	of laptops, and well-being strategies.	communication strategy (KST).
4	Reduced occupancy	Reduction in income forecast to be c£6m if occupancy drops as low as 70.3%. 777 placements in light of the Covid-19 crisis and subsequent tightening of Local Authority funding of new placements.	Strong communication with the freemasonry communities through UGLE, MCF, PGM's and pro-active statements on website. Investment in partitioned visitor rooms, redecoration programme and increasing wet rooms at 6 homes. Priority to increase dementia beds where possible.	Close tracking of enquiry activity by our Placement Officer and maximising of Government support grant in order to partly offset lost income. New website launched in August 2020 to further promote the Charity and services offered
5	High and above-average levels of staff sickness and absence	High agency usage and increased pay bill; residents not receiving expected care from key workers; long term impact on staff wellbeing and teamwork	Sickness policy for long-term and short-term/frequent absences - regularly monitored with HR Business Partners and introduction of Occupational Health Professional to contact staff members on long-term absence of 21 days or more in order to encourage them to return to work. An Employee Assistance Programme (EAP) supported by a range of cash plans and physiotherapy and alternative treatments is offered to all homes-based staff. This has been well received. Wellbeing at Work booklet issued and ongoing initiatives are developed.	Invoke the appropriate disciplinary or capability policy. Frequent monitoring, as it is expected staff will become unwell. However, how they are supported and managed provides clear messages to others about RMBI's approach to managing wellbeing. Monthly dashboard reports indicate if above-average sickness levels are occurring
6	Temporary loss of staff	Staff on sick leave. Infection transferring to residents. Shortage of staff and increase in residents' death.	Infection control training as part of mandatory training. Staff following high hygiene practices.	Use of bank staff and agency staff, and requesting unaffected staff to increase shifts worked. Home closed to visitors, apart from essential healthcare teams. Constant monitoring and deep clean undertaken. Review completed of Infection Control and new policy issued. The IPC Lead role is a member of the Homes' Management team
7	High and/or unplanned staff	Impact on sustainable person-centred care	Annual salary reviews and above-average pay across	Bank teams recruited to support vacant shifts; local /

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	turnover and lack of candidates available in market	to residents; ability to deliver local/departmental and corporate business plans	the care teams; market rate pay for all other functional roles; offer of exit interviews to understand reasons; employee engagement survey to monitor levels of staff engagement at all locations/departments; praise and recognition schemes in place; investment in management teams both first and second line levels; annual appraisals which provide an opportunity to discuss career aspirations and supervisions which enables line managers to pick up on any concerns. Recruitment strategies developed for each Home in conjunction with the Regional Operations Managers/HR Business Partners and Marketing.	national contract recruitment agencies to provide additional cover. Talent management strategy which provides staff with clear career paths and understanding about learning and development initiatives that support this. The HR Business Partners have a dotted management line to the Business Relationship Managers at each Home to enable high level focus on recruitment. Marketing department are also developing better social media platforms to enable a corporate approach to attracting candidates. All Homes now have an annual budget to support recruitment costs. New electronic Recruitment system launched in July 2018 to enable faster process linked to social media platforms
8	Fire and safety concerns including fire compartments & fire drills	Rapid fire spread and smoke in event of fire. Need to ensure our properties, fire drills, and evacuation policy practice is up to date and fully compliant.	Complete programme of fire compartmentalisation remedial works to be approved by Board at a provisional cost of £1m. Ensure monthly checks of fire equipment checks and drills are recorded	A review of all cladding on our buildings completed to confirm no aluminium-based materials were used. Fire and safety remains a standing item at SLT meetings with an agreed action plan drafted by the Health and Safety Officer now in place. A monthly direct report on market matters by the H&S Officer to the MD
9	Identify and manage requirements of asbestos regulation	Impact to human health (residents/staff)	<p><u>General</u></p> <ul style="list-style-type: none"> • Reports from Hollis give a general overview of the condition of the property estate • Steering Group for Health and Safety including asbestos and legionella has been established <p><u>Asbestos Legislation</u></p> <ul style="list-style-type: none"> • Re-inspections for asbestos take place annually • Asbestos Standards and 	Asbestos - Training underway to train FM's on safe working and how to react to asbestos contamination/protective equipment given, contract in place with Omega.

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			<p>procedures</p> <ul style="list-style-type: none"> • Asbestos Registers • Building specific processes (where relevant) • Risk Assessments • Professional advice from retained consultants <p>100% Asbestos surveys completed throughout the Homes</p>	
10	Data protection (GDPR)	<p>Financial: Cost of recovering key and sensitive information and penalty fine up to £500,000.</p> <p>Reputational: Negative publicity surrounding inability to protect systems and confidential data.</p> <p>Operational: Time taken to investigate, contact family or relatives of those whose data has been breached / lost.</p>	<p>Staff / personal data held in locked cabinets.</p> <p>Clear guidelines have been produced for all members of staff. The Data Protection Policy is included in the Employee Handbook and available on the intranet. Staff are aware of data protection policies and procedures in place as well as potential disciplinary action that may be taken. Staff are required to sign a confidentiality agreement upon start of employment. MPLS system has been set in place to enhance network security between Head office and Homes.</p> <p>Shredding boxes provided and staff are aware which data is sensitive and must be disposed of correctly.</p> <p>All regional/national roles are requirement to have locked filing cabinets and briefcases if transferring or holding sensitive data.</p>	<p>Appointment of Data Protection Officer for the RMBICC</p> <p>Majority of laptops encrypted for data protection.</p> <p>Shredding boxes lock protected. Extra backup servers implemented at IP Technology.</p> <p>Confidential residential information is stored and protected in the iCare and eMM system. MPLS network provides enhanced network security therefore providing increased security for confidential data.</p>
13	Failure to adhere to Health & Safety Policy and Practices	<p>Increase in accidents at work resulting in personal injury or death. Reputation risk. Increase risk to Residents.</p>	<p>Assistant Director of Health and Safety in role. All SLT undertaken IOSH training for Directors. Homes Management teams including Home Manager and Facilities Manager attending relevant IOSH training. Health and Safety Committees now established at each Home with health and safety</p>	<p>Insurance policies to underwrite any claims. Marketing to handle via PR company. Assistant Director of Health and Safety has dotted reporting line to the two internal auditors to ensure that audits include matters relating to health and safety.</p> <p>Internal audit process to monitor and evaluate the</p>

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			<p>policies reviewed and updated and included in induction programme. VDU and lone working checks regularly undertaken. Moving and Handling as part of Mandatory Training Programme. Fire and evacuation training in place as part of Mandatory Training Programme. Contractor management procedures in place. Additional internal auditor with both auditors reviewing health and safety matters as part of care audit visits. Weekly, monthly and quarterly health and safety checks in each home.</p>	<p>effectiveness of property services and service companies and report on findings. Effective communication with the Senior Management team, Senior Leadership team and PR Team. Advise Insurance co.</p>
14	Clinical care error leading to injury and death of a resident	<p>Impact on the health and wellbeing of a resident or group of residents. Extreme impact leading to death of resident or group of residents. Breach of regulatory requirements and duty of care.</p>	<p>Homes - Home Managers to take responsibility for day-to-day care management within the Home, ensuring that staff are appropriately trained and competent to deliver safe, responsive and effective care. Clinical and care errors to be appropriately managed, reported and referred to healthcare professionals in order to seek appropriate professional input and guidance for managing and supporting residents effectively. Care records to be kept up-to-date to reflect residents current needs and to ensure appropriate referral to healthcare professionals where required.</p>	<p>Internal audit process to monitor and evaluate the effectiveness of care services and report on findings. Local Homes to carry out assessments of care practice and audits to ensure good practice is in place and followed by staff at all times. Robust reporting of issues and concerns to make sure a quick response to concerns is in place. Effective communication with the senior management team to make sure issues and concerns are alerted as soon as possible to enable effective management of such.</p>
15	<p>a) Negative reports from CQC/CIW</p> <p>b) Prosecution and enforcement action as a result of (a)</p>	<p>Adverse reports, poor publicity</p>	<p>Ensure an effective process for responding to regulatory reports is in place. Action plans to be completed as soon as possible by the Home to address any shortcomings identified. 17 Homes enjoy current fully</p>	<p>Ensure a robust legal challenge as appropriate. Implement an effective PR response as required. Regular Service improvement meetings to be held to ensure that Senior Management team are focused on progress to achieve</p>

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			compliance reports from CQC with ongoing auditing and quality checks with scrutiny from the Care & Quality Committee.	compliance. Regional Managers to conduct bi-monthly audits in each Home so that they are able to detect early any shortfalls in service and prioritise resource accordingly.
16	IT Strategy and Management	Adverse impact on business efficiencies	Review of IP-Technology contract and delivery with monthly meetings, ensuring close scrutiny of agreed outcomes.	Best value review through new procurement officer of IT provision planned later in 2020/21.

Tangible Fixed Assets

The Charity's tangible fixed assets consist of freehold and leasehold land and buildings, vehicles, furniture and equipment. Land and buildings are shown at the original cost to the Charity less depreciation, whilst investment property was valued at open market rates.

In the opinion of the Directors, if the properties were to be sold the total realisable sale values are likely to exceed the net book value indicated in the accounts.

Investment Policy

The parent charity, Masonic Charitable Foundation (MCF), implemented its global investment strategy on behalf of the RMBI Care Co during the last financial year. The MCF global investment strategy seeks to protect the capital value of investments that are required to fund operations for a three-year time horizon (the "Cash Reserve") and to invest all remaining funds for long term growth, on a total return basis, with an overall objective of making a return of RPI plus 3% net of all expenses.

The Cash Reserve is provided by Royal London Asset Management and utilises three of their funds, which provide a mix of instruments, including cash instruments, Treasury Bills, covered (secured) bonds, corporate bonds, Supranationals and mortgage-backed securities.

The performance objectives of the three funds are:

- Short Term Money Market Fund: 7 day LIBID
- Cash Plus Fund: 7 day LIBID plus 0.50% to 0.75% gross of fees
- Enhanced Cash Plus Fund: 7 day LIBID plus 1.00% to 1.25% gross of fees

Reserves Policy

The Directors reviewed the reserves policy on a regular basis. The funds available to the RMBI Care Company were created over many years and the income derived from the investment portfolio is an important element in securing the longer-term operating and capital expenditure requirements of the Charity.

Group unrestricted reserves (after taking into account the pension scheme surplus) amounted to £112.1m (2018/19: £117.8m), of which the Trustees designated £71.5m (2018/19: £70.3m)

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in the Fixed Asset and New Building Funds. This leaves undesignated reserves of £39m (2018/19: £47m), which is equivalent to approximately 8 months charitable expenditure.

The residual funds are adequate to meet the ongoing operational requirements of the Charity.

Subsidiary Funds and Connected Charities

The Charity administers a range of "Restricted" and "Endowment" funds as detailed in Note 15, with a total value of £4.9m (2018/19: £5.1m).

The Charity was also represented on the Boards of RMBI Trading Ltd, Stability Investments Ltd (project development), RMBI Settlement Ltd (purchase welfare services) and 19/21 GQS Limited (property operations).

Statement of Trustees Responsibilities

The Trustees (who are also the Directors of Royal Masonic Benevolent Institution Care Company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the group for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether UK 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 a charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Insofar as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are also aware of that information.

Auditors

The auditors, Knox Cropper LLP, have expressed their willingness to continue in office for the following year.

Acknowledgements

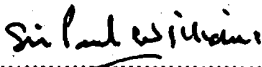
The Directors wish to extend their thanks to all the supporters, friends and staff of the RMBI Care Co who have sustained its work by their interest and generosity.

As Chairman, I would like to thank my fellow Directors for the significant amount of time, energy and expertise they give to the RMBI Care Co. Their contribution makes a huge difference and helps to ensure that we remain one of the leading care providers in the not-for-profit sector and a provider of choice amongst the Masonic Community.

Approved by the Board of Directors and signed on their behalf by:

VW Bro Sir Paul Williams OBE KStJ DL

W Bro S Radia



Chairman



Director

Approved on 23 September 2020

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY**

Opinion

We have audited the financial statements of Royal Masonic Benevolent Institution Care Company (the 'charitable company') and its subsidiaries ('the group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the consolidated and charitable company's balance sheet, the consolidated statement of cash flows and 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 group's and the charitable company's affairs as at 31 March 2020 and of the group's income and expenditure 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 financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 company'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.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY**

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 the audit:

- the information given in the Trustees' report, which includes the Directors' report and the strategic 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 strategic report 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 group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement in the Trustees' Report, the Trustees (who are also the Directors of the charitable company for the purposes of company law) 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.

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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY**

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

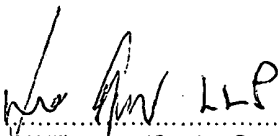
Auditor's responsibilities for the audit of the financial statements

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: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> . 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.


.....
Neil Wilkinson (Senior Statutory Auditor)

For and on behalf of:
Knox Cropper LLP
Chartered Accountants & Statutory Auditors
153-155 London Road
Hemel Hempstead
Hertfordshire
HP3 9SQ

23rd September 2020

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and Expenditure Account)

FOR THE YEAR ENDED 31ST MARCH 2020

		Group Unrestricted funds 2020 £'000	Group Restricted funds 2020 £'000	Group Total 2020 £'000	Group Unrestricted funds 2019 £'000	Group Restricted funds 2019 £'000	Group Total 2019 £'000
	Notes						
INCOME							
Income from Charitable Activities	2	45,393	8	45,401	42,974	8	42,982
Income from Other Trading Activities	3	400	-	400	296	-	296
Income from Investments	4	1,051	17	1,068	1,271	1	1,272
Donations & Legacies	5	5,117	199	5,316	5,043	155	5,198
Net gain/(Loss) on disposal of fixed assets		5	3	8	274	-	274
TOTAL INCOME		51,966	227	52,193	49,858	164	50,022
EXPENDITURE:							
Expenditure on Raising Funds	6	(144)	-	(144)	(126)	-	(126)
Expenditure on Charitable Activities	7,8	(57,389)	(462)	(57,851)	(53,072)	(219)	(53,291)
TOTAL EXPENDITURE		(57,533)	(462)	(57,995)	(53,198)	(219)	(53,417)
Net Income/(Expenditure) before Investment Gains/(loss)		(5,567)	(235)	(5,802)	(3,340)	(55)	(3,395)
Net (loss) / Gain on investment assets	11	(1,181)	(19)	(1,200)	2,303	-	2,303
Net Income / (Expenditure)		(6,748)	(254)	(7,002)	(1,037)	(55)	(1,092)
Transfers between funds		(12)	12	-	420	(420)	-
Net incoming /(outgoing) resources		(6,760)	(242)	(7,002)	(617)	(475)	(1,092)
Other recognised gains / losses							
Actuarial Gain on defined benefit pension scheme	20	973	-	973	82	-	82
NET MOVEMENTS IN FUNDS		(5,787)	(242)	(6,029)	(535)	(475)	(1,010)
Fund balances brought forward at 1st April		117,832	5,104	122,936	118,367	5,579	123,946
Fund balance carried forward at 31st March		112,045	4,862	116,907	117,832	5,104	122,936

All amounts derive from continuing activities.

The notes on pages 33 to 48 form part of these accounts.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH 2020

		RMBICC	Group	RMBICC	Group
		31st March	31st March	31st March	31st March
		2020	2020	2019	2019
		£'000	£'000	£'000	£'000
FIXED ASSETS	Notes				
Tangible assets	9	69,284	72,711	68,367	71,279
Investments	11	35,149	35,149	44,174	44,174
		<u>104,433</u>	<u>107,860</u>	<u>112,541</u>	<u>115,453</u>
CURRENT ASSETS					
Debtors and prepayments	12	9,407	4,922	8,278	4,942
Short term deposits		1,087	1,087	4,110	4,110
Cash at bank and in hand		5,951	6,125	1,744	1,814
		<u>16,445</u>	<u>12,134</u>	<u>14,132</u>	<u>10,866</u>
CREDITORS					
Amounts falling due within one year	13	(4,869)	(5,017)	(4,179)	(4,221)
NET CURRENT ASSETS		<u>11,576</u>	<u>7,117</u>	<u>9,953</u>	<u>6,645</u>
NET ASSETS BEFORE PENSION ASSET		<u>116,009</u>	<u>114,977</u>	<u>122,494</u>	<u>122,098</u>
RMBICC defined benefit scheme asset / (liability)	20 (g)	1,930	1,930	838	838
NET ASSETS AFTER PENSION ASSET		<u>117,939</u>	<u>116,907</u>	<u>123,332</u>	<u>122,936</u>
FUNDS:					
Unrestricted funds					
- Designated funds	14.1 & 14.2	71,484	71,484	70,334	70,334
- Accumulated fund	14.1 & 14.2	39,663	38,631	47,056	46,660
Unrestricted funds before Pension surplus		111,147	110,115	117,390	116,994
RMBI defined benefit scheme net surplus	20 (g)	1,930	1,930	838	838
Unrestricted funds after Pension surplus		113,077	112,045	118,228	117,832
Restricted funds	15	4,617	4,617	4,859	4,859
Endowment funds	15	245	245	245	245
TOTAL FUNDS		<u>117,939</u>	<u>116,907</u>	<u>123,332</u>	<u>122,936</u>

The financial statements on pages 30 to 48 were approved by the Trustees on 23 September 2020.

and signed on their behalf by:

Sir Paul Williams

Chairman (VW Bro Sir Paul Williams OBE KStJ DL)

Madr

Director (W Bro S Radia)

The notes on pages 33 to 48 form part of these accounts.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2020

	Notes	Group 2020 £'000	Group 2019 £'000
Net income / (expenditure) for the reporting period		(5,802)	(3,395)
Adjustments for:			
Depreciation & Impairment		4,425	2,672
(Gains) / Loss on disposal of fixed assets		(8)	(274)
Investment Income		(1,076)	(1,280)
Defined Benefit Pension Scheme		(119)	(50)
(Increase) / Decrease in debtors		20	483
(Decrease) / Increase in creditors		796	897
Net cash provided by (used in) operating activities		(1,764)	(947)
Cash flows from investing activities:			
Dividends and interest from investments		1,076	1,550
Purchase of property, plant and equipment		(6,273)	(6,486)
Proceeds from sale of property, plant and equipment		18	4,447
Purchase of investments		(404)	(17,181)
Proceeds from sale of investments		8,635	19,135
Net cash provided by (used in) investing activities		3,052	1,465
Change in cash and cash equivalents in the reporting period	22	1,288	518
Cash and cash equivalents at the beginning of the reporting period	22	5,924	5,406
Cash and cash equivalents at the end of the reporting period	22	7,212	5,924

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

- (a) 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 Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Royal Masonic Benevolent Institution Care Company meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

- (b) The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with the defined benefit pension scheme. The deficit on the scheme is determined by actuarial valuation. This involves making assumptions about discount rates, mortality rates etc. Due to the complexity of the valuation, the underline assumptions and long term nature of these schemes, the estimates are subject to uncertainty. Assumptions are based on the recommendations of the actuary.

(c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that as a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

(d) Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on raising funds, which comprises the cost of investment management fees and fundraising costs.
- Expenditure on charitable activities includes, principally, cost of running Care Homes of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

1. ACCOUNTING POLICIES (CONTINUED)

(e) Funds accounting

Funds held by the Institution are:

- 1 Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.
- 2 Designated funds - these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects and are as follows (See note 14):
 - Fixed asset fund - To finance capital expenditure on properties and equipment.
 - New building fund - Amounts set aside to meet authorised future capital expenditure on the purchase, construction and equipping of new Homes and general improvements to existing Homes.
- 3 Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the Institution. Restrictions arise when specified by the donor or when funds are raised for particular purposes. Further explanations of the nature and purpose are included in note 15 and 16 to the accounts.

Victor Donaldson Fund is a restricted fund, loans from this fund have been classified as a Social Investment, as the loans are to provide financial assistance to its beneficiaries. Note 11 discloses movements in the outstanding loan balance. Interest is recognised on the redemption of the loan and is shown in note 2 to the account.

(f) Investments

Investments are stated at market value at the balance sheet date. Realised and unrealised gains and losses are credited / charged to the Statement of Financial Activities on the valuations and disposals throughout the financial period.

(g) Apportionment of support costs:

Support costs have not been apportioned between unrestricted, restricted and endowment funds.

(h) Consolidation:

The RMBICC owns 100% of authorised and issued ordinary share capital of RMBI Trading Limited, RMBI (Settlement) Limited, 19/21 GQS Limited and of Stability Investments Limited. The financial results of these companies have been consolidated. Advantage has been taken of the exemption afforded by section 408 of the Companies act 2006 not to present a separate Income and Expenditure account for the Charity.

(i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) Cash at Bank and in Hand

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

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

1. ACCOUNTING POLICIES (CONTINUED)

(k) Creditors and Provisions

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

(l) Financial Instruments

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

(m) Depreciation:

Tangible fixed assets have been capitalised at cost or acquisition value and where assets have been donated, at their value at date of receipt.

In line with the revised FRS102, depreciation for freehold and leasehold properties (with a lease life of more than 50 years) have been provided on a straight line basis at rates between 2% to 10%, depending on its useful economic life of the component parts of properties.

Depreciation for Motor vehicles and Computers & equipment are depreciated on a straight line basis at a rate of 25% per annum. Furniture and equipment are depreciated at rates between 5% to 20% on a straight line basis for items which exceed £10,000 in value, individually or for groups of related assets.

(n) Pension costs:

The Charity contributes to a defined benefits scheme which was closed to new entrants on 4th September 1996. This scheme was closed on 30 September 2010 and all existing employees were transferred to the Group Personal Pension Scheme.

For defined benefit pension schemes the amount charged in resources expended is the current service costs. These are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the interest income are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in 'Other recognised gains and losses'.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Charity, in a separate Trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For the defined contribution scheme the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

2. INCOME FROM CHARITABLE ACTIVITIES	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	2020 Total £'000	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	2019 Total £'000
Residents' Fee Receivable	45,393	-	45,393	42,974	-	42,974
Financial assistance to the elderly (Loan interest)	-	8	8	-	8	8
	<u>45,393</u>	<u>8</u>	<u>45,401</u>	<u>42,974</u>	<u>8</u>	<u>42,982</u>
3. INCOME FROM OTHER TRADING ACTIVITIES	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
Rental & Other Income	400	-	400	296	-	296
	<u>400</u>	<u>-</u>	<u>400</u>	<u>296</u>	<u>-</u>	<u>296</u>
4. INCOME FROM INVESTMENTS	Unrestricted funds £'000	Restricted funds £'000	2020 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2019 Total £'000
Dividends	588	-	588	743	-	743
Interest on cash deposits	9	17	26	15	1	16
Interest Income	454	-	454	513	-	513
	<u>1,051</u>	<u>17</u>	<u>1,068</u>	<u>1,271</u>	<u>1</u>	<u>1,272</u>
5. DONATIONS AND LEGACIES	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
Donations	17	183	200	43	114	157
Donations from the parent charity	5,100	-	5,100	5,000	-	5,000
Legacies	-	16	16	-	41	41
	<u>5,117</u>	<u>199</u>	<u>5,316</u>	<u>5,043</u>	<u>155</u>	<u>5,198</u>
6. COST OF GENERATING FUNDS:	Staff £'000	Other £'000	Total - 2020 £'000	Staff £'000	Other £'000	Total - 2019 £'000
Cost of generating voluntary income	-	-	-	-	-	-
Investment management cost	-	144	144	-	126	126
	<u>-</u>	<u>144</u>	<u>144</u>	<u>-</u>	<u>126</u>	<u>126</u>

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

7. INFORMATION REGARDING EMPLOYEES AND TRUSTEES

	2020	2019
	£'000	£'000
Staff costs:		
Wages and salaries	27,490	26,864
Social security costs	2,038	1,993
Pension costs	700	566
Total	30,228	29,423

<u>The number of employees whose total employment benefits are greater than £60,000 are as follows:</u>	No.	No.
60,001 to 70,000	10	3
70,001 to 80,000	5	6
80,001 to 90,000	2	1
90,001 to 100,000	-	-
100,001 to 110,000	1	3
110,001 to 120,000	3	1
120,001 to 130,000	-	-
130,001 to 140,000	-	1
140,001 to 150,000	1	-
	22	15

Key management are the members of the Executive Management who received total employment benefits of £682k during the period (2019 - £655k).

Staff reorganisation costs, totalling £25k (2019 - £31k), have been accounted for in "Other staff costs" in note 8 to these accounts. Where appropriate, the reorganisation costs have been included in the bandings, above.

Contributions during the year to the Group Personal Pension Scheme for the above 22 employees amounted to £127k (2019 - £116k).

Average number of full and part time employees:

	No.	No.
Homes	932	988
Support	19	19
Fund raising and Marketing	2	3
Management and administration	28	29
	981	1,038

No Trustee, or persons related to or connected by business to them, has received any remuneration from the Charity during the year. The total expenses reimbursed to the members of the Board of Trustees amounted to £30k (2019 - £43k), in relation to travelling and subsistence.

Trustees have taken out Indemnity Insurance and the cost to the Institution was £19k (2019 - £19k).

The number of Trustees receiving expenses was eleven (2019 - ten).

8 CHARITABLE EXPENDITURE:

	Residential & Care Homes before support costs	Support costs (Head Office)	Sub - Total - Residential & Care Homes with Support Costs	Governance Costs	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Staff Salaries, Social Security & Pension	27,040	2,611	29,651	577	30,228	29,423
Other Staff Costs	712	122	834	-	834	578
Agency staff costs	6,801	13	6,814	-	6,814	5,780
Catering supplies	5,167	2	5,169	-	5,169	4,497
Building maintenance and refurbishment	2,396	51	2,447	-	2,447	2,496
Light, heat, rates and water	1,904	25	1,929	-	1,929	1,856
Depreciation	3,242	273	3,515	21	3,536	2,672
Impairment	889	-	889	-	889	-
Furniture and equipment	788	34	822	-	822	832
Cleaning and laundry	759	3	762	-	762	682
Insurance	303	103	406	19	425	420
Medical expenses	207	3	210	-	210	242
Other - restricted fund expenditure	40	-	40	-	40	50
Postage, telephone and stationery	320	106	426	-	426	423
Audit	-	-	-	71	71	72
Legal and professional fees	58	134	192	-	192	257
Interest Costs	435	-	435	-	435	563
RMBICC defined benefit pension scheme administration cost	105	-	105	-	105	135
Miscellaneous	1,247	1,239	2,486	31	2,517	2,313
Annuities and grants	-	-	-	-	-	-
Total	52,413	4,719	57,132	719	57,851	53,291

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

9.1 FIXED ASSETS FOR RMBICC

Tangible assets	Freehold properties £'000	Long leasehold properties £'000	Motor Vehicles £'000	Computers & Equipment £'000	Total £'000
COST:					
At 31st March 2019	91,236	3,957	977	7,024	103,194
Additions	2,930	56	88	1,643	4,717
Disposals	-	-	(88)	-	(88)
Impairments	(306)	-	-	-	(306)
At 31st March 2020	93,860	4,013	977	8,667	107,517
DEPRECIATION:					
At 31st March 2019	(28,497)	(1,068)	(855)	(4,406)	(34,826)
Charge for the year	(2,705)	(88)	(66)	(686)	(3,545)
Disposals	-	-	80	-	80
Impairments	58	-	-	-	58
At 31st March 2020	(31,144)	(1,156)	(841)	(5,092)	(38,233)
NET BOOK VALUE:					
At 31st March 2020	62,716	2,857	136	3,575	69,284
At 31st March 2019	62,739	2,889	122	2,617	68,367

The impairment adjustment represents the realisable value of one of the properties, which is in the process of being sold.

9.2 FIXED ASSETS FOR THE GROUP

Tangible assets	Assets Under Construction £'000	Freehold properties £'000	Long leasehold properties £'000	Motor Vehicles £'000	Computers & Equipment £'000	Total £'000
COST:						
At 31st March 2019	3,300	90,763	3,957	977	7,024	106,021
Additions	1,150	2,930	56	88	1,643	5,867
Transfer of completed projects to RMBICC	-	-	-	-	-	-
Disposals	-	-	-	(88)	-	(88)
Impairments	(641)	(306)	-	-	-	(947)
At 31st March 2020	3,809	93,387	4,013	977	8,667	110,853
DEPRECIATION:						
At 31st March 2019	-	(28,415)	(1,068)	(855)	(4,406)	(34,744)
Charge for the year	-	(2,696)	(88)	(66)	(686)	(3,536)
Disposals	-	-	-	80	-	80
Impairments	-	58	-	-	-	58
At 31st March 2020	-	(31,053)	(1,156)	(841)	(5,092)	(38,142)
NET BOOK VALUE:						
At 31st March 2020	3,809	62,334	2,857	136	3,575	72,711
At 31st March 2019	3,300	62,350	2,889	122	2,618	71,279

The impairment adjustment represents the realisable value of one of the properties, which is in the process of being sold.

10. CAPITAL COMMITMENTS FOR THE GROUP

	Freehold properties £'000	Long leasehold properties £'000	Vehicles & computer equipment £'000	31st March 2020 Total £'000	31st March 2019 Total £'000
On construction and improvement of Homes and other capital expenditure:					
- Expenditure contracted for	1,504	-	-	1,504	1,108
- Expenditure authorised but not contracted for	894	-	-	894	928
	2,398	-	-	2,398	2,036

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

11. FIXED ASSETS

INVESTMENTS FOR RMBICC AND THE GROUP	As at	As at
	31st March 2020	31st March 2019
	Market values	Market values
	£'000	£'000
(a) Listed Investments		
Masonic Charitable Foundation Investment Fund CAIF	21,722	28,555
(b) Unlisted Subsidiary Companies		
L H Miles Limited - at cost	-	295
	21,722	28,850
Cash held as part of investments:		
Cash held by investment manager	1,867	4,221
	23,589	33,071
(c) Investment Properties	10,440	10,034
(d) Social Investments:		
VDF Loans	1,120	1,069
Total Investments	35,149	44,174
MOVEMENT FOR THE YEAR:	31st March 2020	31st March 2019
	£'000	£'000
(a) Listed Investments & Unlisted Subsidiaries:		
Market value at the beginning of the year	28,850	32,484
Additions	353	17,117
Proceeds from disposals	(281)	(20,554)
Disposals	(6,000)	-
Net investment (loss) / gain	(1,200)	(197)
Market value at the end of the year	21,722	28,850
(b) Investment Properties:		
Market value at the beginning of the year	10,034	-
Additions	406	7,534
Property Revaluation (see note 25)	-	2,500
Market value at the end of the year	10,440	10,034
(c) Social Investments - VDF Loans:	£'000	£'000
Balance at the beginning of the year	1,069	1,005
New loans issued	112	120
Loans repaid	(61)	(56)
Balance at the end of the year	1,120	1,069

RMBI Trading Ltd, Stability Investments Ltd, RMBI (Settlement) Ltd and 19/21 QOS Ltd are wholly owned subsidiaries of RMBI Care Company. Their results are consolidated in these accounts. At 31 March 2020, the capital and reserves of RMBI Trading Ltd. stood at £2 (2019 - £2), Stability Investments Ltd was £4 (2019 - £4), RMBI (Settlement) Ltd was £4 (2019 - £4) and 19/21 QOS Limited was £4 (2019 - £4). All profits of the subsidiaries are gifted to RMBI Care Company year on year.

The companies' principal activities are the design, build, alteration of RMBICC properties and management.

L H Miles Ltd. was a legacy to Royal Masonic Benevolent Institution Care Company which was disposed off during the year

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

12. DEBTORS	RMBICC	Group	RMBICC	Group
	As at	As at	As at	As at
	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	Total	Total	Total	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Residents' contributions	2,479	2,479	2,685	2,685
Dividends and interest	-	-	-	-
RMBI Trading Limited	4,668	-	3,432	-
Other debtors and prepayments	2,260	2,443	2,161	2,257
	<u>9,407</u>	<u>4,922</u>	<u>8,278</u>	<u>4,942</u>

13. CREDITORS:	RMBICC	Group	RMBICC	Group
	As at	As at	As at	As at
	31-Mar-20	31-Mar-20	31-Mar-19	31-Mar-19
	Total	Total	Total	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Amounts falling due within one year				
Trade creditors	1,502	1,524	1,240	1,278
Taxation and social security costs	486	578	471	471
Other creditors	675	675	661	661
Accruals	2,206	2,240	1,807	1,811
	<u>4,869</u>	<u>5,017</u>	<u>4,179</u>	<u>4,221</u>

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

14.1 UNRESTRICTED FUNDS FOR RMBICC

(a) Current year	Balance 31-Mar-19 £'000	Net movements in funds £'000	New designations £'000	Utilised / released £'000	Balance 31-Mar-20 £'000
Designated funds:					
Fixed asset fund	68,298	-	4,555	(3,767)	69,086
New building fund	2,036	-	4,551	(4,189)	2,398
	70,334	-	9,106	(7,956)	71,484
Accumulated fund	47,056	(6,143)	(9,106)	7,856	39,663
Unrestricted Funds before Pension Scheme	117,390	(6,143)	-	(100)	111,147
Defined Benefit Pension Scheme	838	992	-	100	1,930
Unrestricted Funds after Pension Scheme	118,228	(5,151)	-	-	113,077

(b) Previous year	Balance 31-Mar-18 £'000	Net movements in funds £'000	New designations £'000	Utilised / released £'000	Balance 31-Mar-19 £'000
Designated funds:					
Fixed asset fund	76,726	-	5,910	(14,338)	68,298
New building fund	2,244	-	6,904	(7,112)	2,036
	78,970	-	12,814	(21,450)	70,334
Accumulated fund	39,093	(573)	(12,814)	21,350	47,056
Unrestricted Funds before Pension Scheme	118,063	(573)	-	(100)	117,390
Defined Benefit Pension Scheme	706	32	-	100	838
Unrestricted Funds after Pension Scheme	118,769	(541)	-	-	118,228

14.2 UNRESTRICTED FUNDS FOR THE GROUP

(a) Current year	Balance 31-Mar-19 £'000	Net movements in funds £'000	New designations £'000	Utilised / released £'000	Balance 31-Mar-20 £'000
Designated funds:					
Fixed asset fund	68,298	-	4,555	(3,767)	69,086
New building fund	2,036	-	4,551	(4,189)	2,398
	70,334	-	9,106	(7,956)	71,484
Accumulated fund	46,660	(6,779)	(9,106)	7,856	38,631
Unrestricted Funds before Pension Scheme	116,994	(6,779)	-	(100)	110,115
Defined Benefit Pension Scheme	838	992	-	100	1,930
Unrestricted Funds after Pension Scheme	117,832	(5,787)	-	-	112,045

(b) Previous year	Balance 31-Mar-18 £'000	Net movements in funds £'000	New designations £'000	Utilised / released £'000	Balance 31-Mar-19 £'000
Designated funds:					
Fixed asset fund	76,726	-	5,910	(14,338)	68,298
New building fund	2,244	-	6,904	(7,112)	2,036
	78,970	-	12,814	(21,450)	70,334
Accumulated fund	38,691	(567)	(12,814)	21,350	46,660
Unrestricted Funds before Pension Scheme	117,661	(567)	-	(100)	116,994
Defined Benefit Pension Scheme	706	32	-	100	838
Unrestricted Funds after Pension Scheme	118,367	(535)	-	-	117,832

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

15. RESTRICTED FUNDS RMBICC AND THE GROUP

(a) Current Year

a) <u>Current Year</u>	<u>Movement in funds</u>			
		<u>Expenditure</u>		
			<u>Transfers</u>	
	<u>Balance</u>	<u>Incoming</u>	<u>Gains &</u>	<u>Balance</u>
	<u>31-Mar-19</u>	<u>resources</u>	<u>(losses)</u>	<u>31-Mar-20</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Victor Donaldson	2,513	16	(17)	2,512
Specific gifts, donations and legacies for Homes	1,271	150	(447)	974
Hutchinson	-	10	(10)	-
Prince Edward Duke of Kent Court, Essex	395	1	(3)	393
L H Miles	581	57	(2)	636
Hoists & Disability Aids - Samaritan Fund	7	-	-	7
Good Neighbour & Friends of RMBI	8	2	(1)	9
NH Fowler	30	-	-	30
Royal Arch holidays	15	-	-	15
Jubilee Masters Nurse Training Scheme	-	-	-	-
Dementia Support - Grand Stewards Lodge	20	-	-	20
Other various	19	2	-	21
Sub-Total	4,859	238	(480)	4,617
Endowment Funds (note16)	245	1	(1)	245
	5,104	239	(481)	4,862

(b) Previous year

	Movement in funds			
	Expenditure			Balance 31-Mar-19 £'000
	Balance 31-Mar-18 £'000	Incoming resources £'000	Transfers Gains & (losses) £'000	
Victor Donaldson	2,505	8	-	2,513
Specific gifts, donations and legacies for Homes Hutchinson	1,334 411	151 -	(214) (411)	1,271 -
Prince Edward Duke of Kent Court, Essex	395	-	-	395
L H Miles	595	-	(14)	581
Hoists & Disability Aids - Samaritan Fund	7	-	-	7
Good Neighbour & Friends of RMBI	6	2	-	8
NH Fowler	30	-	-	30
Royal Arch holidays	15	-	-	15
Jubilee Masters Nurse Training Scheme	-	-	-	-
Dementia Support - Grand Stewards Lodge	20	-	-	20
Other various	17	2	-	19
Sub-Total	5,335	163	(639)	4,859
Endowment Funds (note16)	244	1	-	245
	5,579	164	(639)	5,104

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

15. RESTRICTED FUNDS (CONTINUED)

	<u>Purpose</u>
<u>Victor Donaldson Fund:</u>	To advance secured loans to Beneficiaries to enhance their quality of life.
<u>Specific gifts, donations and legacies for the Homes:</u>	For the specific use of the Homes towards costs of improving facilities for the benefit of the residents.
<u>Prince Edward Duke of Kent Court, Essex:</u>	Donation by Mark Master Masons for the development of the Thomas Were Howard House Group.
<u>L H Miles:</u>	Funds received from the Estate of the late W. Bro. Leslie Hugh Miles, PPJGW (Essex), to be used for the sole benefit of the residents of Prince Edward Duke of Kent Court, Stistead Hall, Braintree, Essex.
<u>Hoists & Disability Aids - Samaritans Fund</u>	Donation from Masonic Samaritans Fund for hoists & disability aids
<u>Good Neighbour Fund:</u>	To assist towards Annuitants' holiday costs and make discretionary grants.
<u>Friends of R M B I :</u>	To contribute, from its fund raising ball held each year, towards Annuitants' holiday costs.
<u>N.H. Fowler:</u>	Use of income specifically for Connaught Court, York, towards the cost of improving facilities for the benefit of its residents.
<u>Royal Arch holidays:</u>	To contribute towards the cost of an annual holiday to Malta for certain Annuitants and residents.
<u>Jubilee Masters Nurse Training Scheme:</u>	To assist with costs towards nurse training.
<u>Dementia Support Fund</u>	Donation from Grand Stewards Lodge towards Dementia Support program.
<u>Other:</u>	Various funds consist of amounts under £3k with varying purposes.

16. ENDOWMENT FUNDS FOR RMBICC AND THE GROUP

The Institution has 22 permanent endowments for varying purposes within its charitable objectives. The three largest of these funds are the Cooper and Bull fund, £81k (2019:£81k), the Edith and Elsie Wing, £51k (2019:£51k) and the Ames Bequest £41k (2019:£41k). None of the other funds has a significant balance and, therefore, these funds have not been listed separately.

The purpose of the Cooper and Bull fund is to provide income towards the costs of the nurse training scheme and the purpose of the remaining permanent endowments is to provide income for the Homes and general use by the Institution.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE GROUP

<u>(a) Current Year</u>	Unrestricted	Restricted	As at 31-Mar-20 Total	As at 31-Mar-19 Total
	funds £'000	funds £'000	£'000	£'000
Properties and equipment	72,514	197	72,711	71,279
Investments	34,029	1,120	35,149	44,174
Current assets	8,590	3,544	12,134	10,866
Current liabilities	(5,018)	1	(5,017)	(4,221)
RMBICC defined benefit scheme asset	1,930	-	1,930	838
Total Net Assets	112,045	4,862	116,907	122,936

<u>(b) Previous year</u>	Unrestricted	Restricted	As at 31-Mar-19 Total	As at 31-Mar-18 Total
	funds £'000	funds £'000	£'000	£'000
Properties and equipment	71,209	70	71,279	79,172
Investments	42,810	1,364	44,174	36,291
Current assets	7,203	3,663	10,866	11,102
Current liabilities	(4,228)	7	(4,221)	(3,325)
Long-term liabilities	-	-	-	-
RMBICC defined benefit scheme asset	838	-	838	706
Total Net Assets	117,832	5,104	122,936	123,946

18. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	Unrestricted Funds £'000	Restricted Funds £'000	31-Mar-20 Total £'000	31-Mar-19 Total £'000
Net incoming / (outgoing) resources	(5,567)	(235)	(5,802)	(3,395)
Net Gain on investment assets	(1,181)	(19)	(1,200)	2,303
Transfer between Funds	(12)	12	-	-
Exceptional Items	-	-	-	-
Actuarial gain / (loss) on defined benefit pension scheme	973	-	973	82
Net movements in funds	(5,787)	(242)	(6,029)	(1,010)
Net (Increase) / decrease in tangible fixed assets	(1,304)	(128)	(1,432)	7,893
Net movements in funds available for future activities	(7,091)	(370)	(7,461)	6,883

19. CONNECTED PARTIES:

a. Province of Yorkshire, West Riding

During the period ended 31st March 2020 no contribution was received from the Province of Yorkshire, West Riding towards the running costs of RMBI Homes in Yorkshire (2019 - £nil).

b. Masonic Foundation for the Aged and the Sick.

The Masonic Foundation for the Aged and Sick (MFAS) was dissolved in March 2011 and residual funds dispersed. However, the name remains on the Charity Commission register so that if MFAS is the beneficiary of any future legacies the RMBICC will be the agreed recipient and once funds are received they will be shared with the Masonic Samaritan Fund.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

19. CONNECTED PARTIES (CONTINUED)

c. Masonic Care Limited

This company was incorporated on 21st October 1998 to provide accommodation and care for people with learning disabilities. It obtained charitable status on the 14th October 1999 and commenced its charitable activities shortly thereafter. Some of the Directors of this company are also members of the Board of Trustees of the Institution. During the period ended 31st March 2018, RMBI Care Company took over the running of the home and the net assets and liabilities of Masonic Care Limited were transferred to RMBI Care Company and now dormant.

d. RMBI Pension Trust Limited

RMBI Pension Trust Limited is the sole Trustee of the RMBICC Pension scheme, the defined benefit scheme of RMBICC. RMBICC pays pensions on behalf of the RMBICC Pension scheme. The total amount payable to the RMBICC, by the Pension (Scheme), as at 31 March 2020 was nil (2019 - nil).

e. Compass Housing Ltd.

During 2006/7 the RMBICC took over the administration of Compass Housing Ltd, a sheltered housing complex in Cornwall, that was previously administered by Masonic Charitable Housing. The total amount payable to the RMBICC, by the Compass Housing Limited, as at 31 March 2020 was £0.6k (2019 - £0.6k). The administration of Compass Housing Ltd has been transferred to Masonic Charitable Foundation, the parent charity during 2019/20.

20. PENSION SCHEMES

The Charity operates two pension schemes. One of these pension schemes is a defined benefits pension scheme, which was closed to new entrants on 4th September 1996. The scheme was also closed for the existing employees in September 2010. The other scheme is a defined contribution scheme.

a. Defined contribution

The Charity operates a defined contribution pension scheme. During the year the charity made payments totalling £700k (2019 - £566k).

b. Defined benefit

The RMBI Pension and Life Assurance Fund ("the Fund") is a funded defined benefit arrangement which provides retirement benefits based on final pensionable salary.

The valuation used for FRS102 disclosures has been based on a full assessment of the liabilities of the Fund. On 30 September 2010 the scheme stopped accruing benefits to its members and all the employees at that time were transferred to the Group Personal Pension Scheme. Hence, there is no current service cost for the defined benefit scheme and all contributions in note 7 relates to the defined contribution scheme.

c. Principal actuarial assumptions at the balance sheet date:

The results of the last valuation as at 31 March 2019 have been updated to 31 March 2020 by a qualified independent actuary. The assumptions used were as follows:

	Year ended 31-Mar-20	Year ended 31-Mar-19
<u>Significant actuarial assumptions:</u>		
Discount rate	2.3%	2.2%
Rate of inflation (RPI)	2.5%	3.2%
Rate of inflation (CPI)	1.8%	2.2%

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

20. PENSION SCHEME (CONTINUED):

Principal actuarial assumptions at the balance sheet date (continued)

	Year ended 31-Mar-20	Year ended 31-Mar-19
<u>Other actuarial assumptions:</u>		
Rate of increase in pensionable salaries	2.5%	3.2%
Rate of Increase in pensions - Post 88 GMP	1.7%	2.0%
Rate of Increase in pensions - Pre 97 XS	0.0%	0.0%
Rate of Increase in pensions - Post 97 pension	2.5%	3.1%
Rate of Increase in pensions - Post 05 pension	2.0%	2.3%
Revaluation of deferred pensions (non-GMP)	2.5%	3.2%

Mortality assumptions:

	as per post retirement	as per post retirement
Mortality before retirement		
Mortality before and after retirement - S3PMA / S2PMA	112%	110%
Mortality before and after retirement - S3PFA / S2PFA	120%	110%

Life Expectancies (in years):

	31-Mar-20		31-Mar-19	
	Males	Females	Males	Females
For an individual age 65	21	22.9	20.7	22.6
At age 65 for an individual aged 45	22.3	24.4	22.1	24.2

d. Changes in the present value of the defined benefit obligation are as follows:

	Year ended 31-Mar-20	Year ended 31-Mar-19
	£'000	£'000
Opening defined benefit obligation	20,286	20,408
Interest cost	435	495
Actuarial (Gain) / Losses	(1,109)	467
Post service cost	-	68
Benefit paid	(1,020)	(1,152)
Closing defined benefit obligation	18,592	20,286

e. Changes in the fair value of Fund assets are as follows:

	21,124	21,114
Opening fair value of Fund assets		
Interest income	454	513
Administration expenses	-	-
Actuarial (loss) / Gains	(136)	549
Contributions by employer	100	100
Benefits paid	(1,020)	(1,152)
Closing fair value of Fund assets	20,522	21,124

f. Assets:

The fair value of the assets of the Scheme were:

Equities	3,706	4,072
Property	-	-
Corporate Bonds	3,714	3,678
Fixed Interest gilts	-	-
Index linked gilts	2,031	1,998
Liability-driven investment (LDI)	3,462	3,858
Diversified Growth (DGF) & DCFs	7,323	7,213
Cash and net current assets	286	305
Total	20,522	21,124

The return on the assets was:

Interest Income	454	513
Return on assets less interest income	(136)	549
Total return on assets	318	1,062

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2020

20. PENSION SCHEME (CONTINUED):

g. Reconciliation to the Statement of Financial Position (balance sheet)

	31-Mar-20	31-Mar-19
	£000	£000
Market value of assets	20,522	21,124
Present value of defined benefit obligation	(18,592)	(20,286)
Fund status	1,930	838
Irrecoverable surplus	-	-
Pension asset/(liability) recognised in the SOFA	1,930	838

h. The amounts recognised in Statement of Financial Activities:

	Year ended 31-Mar-20	Year ended 31-Mar-19
	£'000	£'000
<u>The amounts recognised in Statement of Financial Activities:</u>		
Current service costs	-	-
Past service cost	-	68
Interest on obligation	-	-
Expected return on Fund assets	(19)	(18)
Total	(19)	50
<u>The amounts recognised in Other Recognised Gains/Losses:</u>		
Actuarial gains/(losses) in defined benefit obligation	1,109	(467)
Actual return on assets less interest	(136)	549
Total	973	82

i. Future Funding Obligation:

The Trustee is required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Fund was performed by the Scheme Actuary for the Trustee as at 31 January 2017. This valuation revealed a funding shortfall of £292,000. In respect of the deficit in the Fund as at 31 January 2017, the Company agreed to pay £100,000 pa for 3 years from 31 January 2017. In addition, the Company agreed to pay the ongoing costs of administering the Fund (including the PPF levy) directly. These costs are shown elsewhere in the accounts. The next actuarial valuation of the Fund as at 31 March 2019 is currently ongoing, and therefore a new Schedule of Contributions will be agreed by 30 June 2020. Under the current Schedule of Contributions, the Company is not required to pay any contributions to the Fund during the accounting year beginning 1 April 2020, but this may change, depending on the outcome of the 31 March 2019 actuarial valuation.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2020****21. TAXATION**

The Royal Masonic Benevolent Institution Care Company is a registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

22. NOTES TO CASH FLOW STATEMENT**ANALYSIS OF CHANGE IN NET FUNDS FOR THE GROUP****(a) Current year**

	At 31st March 2019 £'000	Cash flow £'000	At 31st March 2020 £'000
Cash at bank and in hand	1,814	4,311	6,125
Short term deposits	4,110	(3,023)	1,087
Cash and cash equivalent	5,924	1,288	7,212

(b) Previous year

	At 31st March 2018 £'000	Cash flow £'000	At 31st March 2019 £'000
Cash at bank and in hand	2,184	(370)	1,814
Short term deposits	3,222	888	4,110
Cash and cash equivalent	5,406	518	5,924

23 LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and no share capital. In the event of the charity being wound up, the liability of the guarantee is limited to £10 per member of the charity.

24 ULTIMATE CONTROLLING PARTY

The charity is a subsidiary of the Masonic Charitable Foundation and the Trustee Board of the Masonic Charitable Foundation is the Charity's ultimate controlling party.

25 INVESTMENT PROPERTY REVALUATION

The investment property revaluation was undertaken by an external, independent property valuers, with a relevant and recognised professional qualification. The valuers have recent experience in the location and category of the property being valued.

The property comprises a retail unit as well as four residential accommodations. The residential accommodations have been valued assuming a sale on 125 year lease. The valuation of the retail unit is based on 15 year lease, capitalising the income payable to the freehold with appropriate investment yield and reflects discounts for related costs associated with the sale.

26 RELATED PARTY TRANSACTIONS

There have been no related party transactions other than those disclosed in note 19.

27 POST BALANCE SHEET EVENTS

The Trustees have evaluated the impact of the pandemic on the operations of the charity, which is to provide residential care, nursing care and residential dementia support to older Freemasons, their families and people in the wider community.

The income has reduced by 5.4% post-year end due to a reduction in occupancy (6.8%). The Homes operating costs were 9.8%, higher mainly as a result of emergency purchase of Personal Protective Equipment (PPE) and increased staff numbers to look after Covid-19 residents. Our parent Charity Masonic Charitable Foundation has formally agreed to make an additional grant of £5m to support the Charity's operational cash flow. The market value of investments also increased by 9.3% post year-end.

The Trustees do not consider there to be any going concern issues and for this reason the financial statements have been prepared on a going concern basis.