

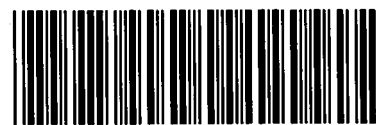


THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

Caring is our way of life

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

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**THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
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FINANCIAL OVERVIEW

2022/23 was a year of unprecedented challenges with widespread inflation and interest rate rises. As a company, we continued to demonstrate our resilience in an ever-changing economic environment. This year saw a redesign of RMBI Care Company's business model of service delivery including our approach to marketing, simplified admissions, and recognising the increasing complexity of people in our care. This new operating model represents a major change to the way the Company operates by making it a simpler, transparent and more responsive to fast-changing market dynamics. Whilst it will take time to see the full impact, the RMBI Care Company is confident that the new profile provides a strong and enduring base on which the organisation can move forward.

During 2022/23 our care homes have maintained strong quality and regulatory ratings as we navigated our way through various challenges post Covid-19 and financial pressures faced. Ensuring families have good access to their loved ones in our care has remained a strong priority for us and we are now better equipped for any similar future crises.

The company has continued to make good progress on our ambitious 20-year Modernisation Plan. In August 2022, we sold a loss-making care home in Manchester and closed another care home in Berkshire, following the opening of our new-build Care Home Prince Philip Duke of Edinburgh Court. The new home will act as a blueprint for our future homes and it was a fitting tribute for the Home to be officially opened by His Royal Highness The Duke of Kent. The home has already received an international award in the category of 'Health Care Design' at the New York Muse Design Awards.

During the year, income from charitable activities - almost all of which was generated by our care homes - increased by more than 7% to £46.98 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 £12 million to cover this shortfall.

The generous contribution from the Masonic community through donations, legacies and donations via the parent charity, Masonic Charitable Foundation (MCF), totalled £6.9 million. Income from investment and other activities amounted to £1.4 million.

With continual efficiency improvements and cost controls, the expenditure of providing care during this financial year showed a below inflationary increase of 3% to £63.1m.

The RMBI Care Company invested £3.4 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, £1.6 million was invested this year on the new care home in Berkshire.

The value of the RMBI Care Company's investment portfolio, inclusive of social investments, decreased during the year to £23.2 million. This decrease, after drawdown, reflected the overall decline of the broader financial markets last year.

Over the next 10 years, we plan to replace a number of our care homes with new-builds, and look for locations for new Homes. In early 2023, we successfully raised £10m to support our future activities through a sustainable charity bond, which attracted both institutional and private investors to invest in our future. The bond also allows us to develop our sustainability strategy, which includes installing solar panels and electric car points at our Homes.

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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 2023. 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 2019).

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 J Spence
The Deputy Grand Master	RW Bro Sir David Wootton
The Assistant Grand Master	RW Bro DJ Medlock, DL
The Assistant Grand Master	RW Bro AS Varley

Grand Vice Presidents

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

RMBI Care Company Board Members (Trustees)

John Boyington, CBE	Chair
David Southern	Deputy Chair
Sushil Radia	Treasurer
Ian Newby	Director
Mark Constant	Director
Charlotte Miller	Director
Sylvia Short, OBE	Director
David Snowden	Director
Chris White	Director (resigned November 2022)
Martyn Yeats	Director
Malcolm Vede	Director

The Masonic Charitable Foundation (MCF), as the Corporate Trustee, appoints the Chair and Treasurer of the Board of RMBI Care Company and endorses all other appointments.

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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 Company are appointed by the RMBI Care Company's Nominations Committee and selected for their skills, experience and status within areas of expertise required by the Charity. A review of Charity Governance and an annual skills audit informs any gaps identified. Additional Trustees may be co-opted to the maximum of 15 Trustees.

During 2022/23 a review of the Articles of Association was undertaken with parent consent from the MCF leading to submission to the Charity Commission for approval which was granted related to changes to the Objects and the number of Trustees increased from 12 to 15.

In meeting the requirements of the Charity Commission Code regarding EDI all future Board appointments will be progressed through external 'head hunter' arrangements with the prime objective of increasing the diversity of the Board.

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.

Induction and Training of Trustees

New Trustees and Non-Executive Committee 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 Diversity and Equality Training identified as mandatory. In addition, Trustees receive Safeguarding training from an external training professional.

Principal Committees

Audit and Risk Committee

Mark Constant	Chair
Sushil Radia	Treasurer
Chris White	Trustee (Stood down November 2022)
Martin Bevan	Non-Executive Committee Member
Neil Graham	Non-Executive Committee Member
Antony Cox	Non-Executive Committee Member

Property and Maintenance Committee

David Southern	Chair
Ian Newby	Trustee
Sylvia Short OBE	Trustee
Martyn Yeats	Trustee
Derek Weidner	Non-Executive Committee Member
Neil Parlett	Non-Executive Committee Member

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Finance and Investment Committee

Sushil Radia	Chair
Chris White	Trustee (stood down November 2022)
Mark Constant	Trustee
Martin Bevan	Non-Executive Committee Member
Dale Gilbert	Non-Executive Committee Member
Matthew Burrows	Non-Executive Committee Member

Care and Quality Committee

Ian Newby	Chair
Sylvia Short, OBE	Trustee
David Snowdon	Trustee
Martyn Yeats	Trustee
Sarah Sheppard	Committee Member (stood down November 2022)

Development and Delivery Committee

Charlotte Miller	Chair
David Snowden	Trustee
Malcolm Vede	Trustee
Bert F. Van Herck	Non-Executive Committee Member
Richard Furter	Non-Executive Committee Member

Senior Leadership Team (Executive Management)

Mark LLOYD	Managing Director
Louise Bateman	Human Resources Director
Kevin Harris	Development Director
Marc Nelson-Smith	Property Director
Lal Ranasinghe	Finance Director
Karen Salley	Care Operations Director
Brett Edwards	Health and Safety Director

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 the option of 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 by the RMBI Care Company Remuneration Committee. No member of the Executive Management is able to make a decision on their own pay.

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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

Thesis Unit Trust Management Ltd, Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP

CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

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

Solicitors

RadcliffesLeBrasseur, 85 Fleet Street, London, EC4Y 1AE / Weightmans Solicitors LLP, 100 Old Hall Street, Liverpool, L3 9QJ

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 Company is a company limited by guarantee, having no share capital. It is governed by Memorandum and Articles of Association.

Objects

The Objects of the Charity were amended and approved by the Charity Commission during 2022 and are amended as follows:-

The objects of the charity are, for the public benefit, the relief of those individuals who are in need by reason of age, disability, poverty or ill-health by the provision of:

(a) Accommodation in residential care facilities or sheltered accommodation, and associated facilities;

(b) Financial assistance by way of grant; and/or;

(c) Such other services or assistance as the Trustees may from time to time think fit. In carrying out these objects, the Trustees shall take reasonable steps to give preference to individuals who are Freemasons (or individuals who have at any point been the spouse, civil partner, child or other dependant of a Freemason).

The prime objective of the Charity remains the running of fourteen older care homes, one learning and or/physical disability service in England and two care homes in Wales, and financially supporting freemasons and their dependents who are unable to pay for the full cost of care.

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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 Company 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 Senior Leadership Team (SLT) with departmental registers in situ and quarterly reviewed. This is monitored by each Committee, with headline risks reported to the RMBI Care Company Board. Clear policy and procedures are in place for the management of all tenders and procurement against agreed standards.

All 17 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 Company 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 Company in the top quartile of Care Home Providers.

Governance and Committee Structure

Five Committees are constituted, each reporting to the RMBI Care Company Board.

Each Committee meets on at least a quarterly basis (supported by the relevant lead Director), with each Chair 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.

A new EDI Steering Group has been established with Trustee and Employee representation.

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.

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- 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 is in place for Trustees under the umbrella policy of the MCF.

Objectives and Activities

Mission

The RMBI Care Company 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 1,008 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.

Achievements

The Charity has responded robustly and ensured the safe management of services during the tail end of the pandemic.

Carehome.co.uk recognised the Charity as a 'Top 20 Mid-size Care Home Group' for the sixth year running, and Albert Edward Prince of Wales Court, in Porthcawl, was identified as a 'Top 20 Care Home' in Wales with Harry Priestley recognised in Yorkshire and West Riding. The awards are based on reviews submitted by residents and their families. Achieving such standards during a pandemic is all the more remarkable; it is a strong reflection of how we support those that live and work in our Homes.

The Board and Executive Team have agreed an ambitious 20-year vision for our Charity in expanding the portfolio with new build care homes and considering entry into the younger retiree retirement community market. Our plans were adapted in the short term during 2022 given world events and the impact on the economy. Despite the more turbulent times with high inflation the Charity had a successful year. Fixed price utility deals were negotiated early in 2022 providing some protection of rising energy costs. The Charity has embarked on a Sustainability Strategy which has seen the introduction of a solar panels programme and roll out of electric charging points at our Care Homes.

During 2022/23 the Charity successfully and for the first time raised investment finance from the Stock Exchange through the Retail Charity Bond Platform. The £20m issue of 6.25% bonds due 2029 by special purpose issuer RCB Bonds PLC, of which £10m has been advanced to RMBI Care Company and £10million retained for future funding for the Charity. The issue closed early and was over-subscribed with 60% of the investment raised coming from private individuals rather than the larger institutions. This facility will support our development plans in moving forward.

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During 2022/23 the Charity completed its first new build scheme in more than a decade. Prince Philip Duke of Edinburgh Court in Sindlesham Berkshire opened during September providing 45 specialist dementia and nursing beds. The Care Home was formally opened by His Royal Highness the Duke of Kent in November 2022.

During the year the Charity also closed Lord Harris Court which had provided 50 years of service as the above home replaced this provision, and sold Ecclesholme, Manchester as a going concern. Planning permission is pending for our next development at Cornwallis Court, Bury St Edmunds to replace the existing care home commencing in 2023.

Governance and Practice

The Charity takes extremely seriously the maintaining of regulatory standards across its portfolio. Robust internal audit and inspection occurs with dash board monitoring of all key data. The management of all care plan and medication records is now digitalised enabling tracking of all trends and information. During the year an external audit of the IT and Digital systems in place took place and confirmed the appropriateness and actions taken to ensure a safe and secure environment.

89% of our Homes hold grades of 'Compliant', 'Good', or 'Outstanding' which is upper quartile in the benchmarking of Homes in the sector. However, it is our intent to achieve 100% in 2023/24.

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 30% 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 Company complies with the Charging for Residential Accommodation Guide (CRAG) issued by the Department of Health. The resident numbers are split broadly 60:40 into those who are self-funding and those who are placed and funded by Local Authorities.

Activities

The primary activity is the provision of 1,008 registered beds for residential, dementia and nursing care in the 16 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.

During the year a new grant offering was extended to Freemasons and their dependents in the North-West of England. This scheme provides support to families on entry into registered care and loans to provide financial assistance to meet an element in fee funding shortfall to a registered care home of choice.

Non-Operational Properties

In addition, the Charity runs approximately 64 non-operational properties, including some sheltered units for those who seek independence with minimal care provided.

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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. Walker Slater remain the leasehold shop front at 19 Great Queen Street, with one apartment sold and the three at present on the market. These proceeds will be utilised to meet our development programme costs.

Impact Report

The Charity publishes an annual Impact Report, which is available on our website.

Key Performance Indicators (KPIs)

Dashboard KPIs across all the RMBI Care Company 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, Finance and Property are in place, including Health and Safety requirements and monitoring. Monthly Performance Targets on Occupancy and Staff Spend are set with monthly KPI targets.

Equity, Diversity and Inclusion (EDI)

As part of the Charity Governance Code review the Board established a working group which was chaired by one of the Trustees and included the Managing Director, Group HR Director and two other Trustees to review Principle 6 of the Code. As a result of this the Board also invited an external facilitator to lead a Board training session on its responsibilities and recommended good practice.

A review of the staff and resident data has been undertaken and this will be reviewed on a quarterly basis to ensure the Board have a full understanding of the diversity of these key stakeholders. The mandatory training the Board commits to undertake has now been increased to an annual basis and includes Diversity and Equality; Unconscious Bias and Safeguarding.

During the financial year a recruitment and selection process was undertaken and external jobs boards were used to attract greater diversity in candidate attraction.

Sustainability

The past year was a challenging one for sustainability, as the world returned to physical meetings once more after the events set in motion by the pandemic. At RMBI Care Company with sustainability remaining one of the key priorities we adapted to a post-pandemic world. We have introduced hybrid working in London and have become far less reliant on printing and business travel, collaborating online where possible and embracing blended working principles so that we work together more effectively and reduce our environmental impacts.

RMBI Care Company continues to work on embedding its Sustainability Strategy into everything we do. In the last year we have set up a contract with a national food waste company to reduce land fill.

We have installed a 22 kW solar PV system at Queen Elizabeth Court in North Wales and to date have saved 1,876 kg in CO₂ or the equivalent of 114 trees planted.

We plan to roll out solar PV systems to all homes in the next three years and install electric car charging points.

The next new care home which be built at Cornwallis Court will incorporate Solar PV, air source heat pumps and have high thermal efficiency.

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Valuing Our Staff

The culture and values of the Charity remain underpinned by the core values of being Kind, Supportive and Trusted and these are evident in the way we work together to support our residents at each of our Homes and within our head office teams.

All Directors, senior managers including our Home Managers have regular team meetings to provide their teams with an understanding of our financial performance, strategic business plans and operational focus. In addition to this we have a bi-monthly staff newsletter which includes an update from the Managing Director.

There are two staff forums both chaired by the Group HR Director, meeting at least twice a year. These forums enable a business update to be provided including sector information and key projects and initiatives that are being worked on. Our staff representatives are able to bring suggestions and views for our consideration. A number of these have resulted in improvements to working practices and benefits that staff receive.

We issued our Employee Engagement Survey to all staff in March 2023 and we will review the feedback and make appropriate changes to ensure we have fully engaged and valued staff.

At Home level our Regional Operation Managers and HR Business Partners jointly offer the opportunity for staff to meet them and discuss matters that are important to them via staff surgeries.

We continue to focus on Wellbeing and during the course of the year our Wellbeing Champions delivered information on financial wellbeing; social wellbeing and spiritual wellbeing. All employees receive an Employee Assistance Programme which provides access to a range of health and wellbeing platforms, counselling support and discounts to a range of UK retailers. We have also made a commitment to become a Menopause Friendly Employer and our Learning at Work Week focused on this and was awarded an Impact Award for the work we are doing.

We also publish an annual EDI calendar and this enables a range of awareness events to be held within our Homes with our residents and staff as well as with our head office teams.

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, IR35 compliant, 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. Special thanks to Doctor John Reuther, ably assisted by his wife Maggie who has provided a link to the Associations. After many years of service John stood down at the end of March 2023

Freemasonry Support

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

Donations and Fundraising

Every pound donated to the RMBI Care Company Homes 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 Charity 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) 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 strategic and actual asset allocations as at 31st March 2023 are shown in the table below:

Asset Class	Strategic Allocation	Benchmark	Actual 31st March 2023
Cash	0.00%	SONIA	2.90%
Fixed Income	7.50%	FTSE UK World Gov. Bond Index GBP	8.80%
International Equity	54.50%	MSCI World ex UK NR GBP	59.20%
U.K. Equity	18.00%	MSCI UK Equity NR GBP	18.10%
Emerging Market Equity	12.50%	MSCI Emerging Markets Equity NR GBP	3.20%
Alternative Investments	3.75%	HFRX Global Hedge Fund GBP	5.90%
Property	3.75%	IA UK Direct Property TR	1.90%
	100.00%		100.0%

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Performance under the new arrangements is shown in the table below.

	MCF CAIF	RLAM Money Market	RLAM Short Term Fixed Income	RLAM Short Term Fixed Income Enhanced	CCLA Property Fund
Fund at 31 st March 2023	£12.611 M	£0.0 M	£0.843 M	£0.212 M	£0.0 M
Investment approach	Steady Growth Multi-Asset	Capital Protection	Capital Protection	Capital Protection	Income & long-term Capital Growth
Benchmark	Composite	SONIA	SONIA	SONIA	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	(1.00)%	2.27%	2.13%	0.90%	(11.40)%
Benchmark return for year	(1.00)%	2.23%	2.23%	2.23%	(10.60)%
Peer group return for year	(4.10)%	N/A	N/A	N/A	(4.10)%
3 year return	39.60%	0.79%	1.04%	0.83%	8.80%
3 year benchmark	37.70%	0.80%	0.80%	0.80%	(6.30)%
3 year peer group	26.40%	N/A	N/A	N/A	26.40%

The CAIF had a volatile year due to challenging financial markets, falling from its opening value of £129.73 to close at £126.25 per unit. Holdings in the RLAM short term fixed income and fixed income enhanced funds were transferred to the money market fund in November to take advantage of substantially increased returns from this lowest risk fund.

Streamline Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 April 2022 to 31 March 2023 and previous years.

	Current year	Previous years			
	2022/23	2021/22	2020/21	2019/20	Units
Energy consumption used to calculate emissions	25,054,076	27,110,152	27,465,824	28,115,804	kWh
Energy consumption break down					
Gas	19,840,971	21,453,840	21,865,671	22,237,373	kWh
Electricity	4,587,319	5,273,167	5,245,156	5,322,360	kWh
Purchased fuel (Generators)	13,356	5,106	7,473	n/a*	kWh
Transport fuel	313,004	226,958	254,747	278,929	kWh
Business travel in employee-owned vehicles	299,426	151,081	92,777	317,142	kWh
Scope 1 emissions					
Gas consumption	3,622	3,929	4,020	4,101	tCO ₂ e
Owned transport	79	55	63	98	tCO ₂ e
Other fuel (generators)	3	1	2	n/a*	tCO ₂ e

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Scope 2 emissions					
Purchased electricity	887	1,120	1,223	1,360	tCO ₂ e
Scope 3 emissions					
Business travel in employee-owned vehicles	74	37	23	82	tCO ₂ e
Total gross emissions	4,665	5,142	5,331	5,641	tCO₂e
Intensity ratio	4.67	4.85	4.76	5.75	tCO₂e/FTE
* During the first reporting year we omitted the fuel for generators due to lack of available information					

Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used 2022 UK Government's Conversion Factors for Company Reporting.

As with last year, energy data for three flats for 20 Great Queen Street was not provided and therefore for 2022/23 we have used the same consumption as the year before, which was also previously estimated. In addition, for grey fleet, fuel types and vehicle types were not provided so approximately 269,000 business travel miles have been converted using 'Unknown' as the fuel type and 'Average Car' as vehicle type. The company fleet was more accurate in terms of the type of fuel used, but due to vehicle type information missing, 'Average Car' type conversion was used.

Intensity ratio

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per full time equivalent (FTE) employee. During 2022/2023 the number of FTE for RMBI was 999.

Energy efficiency actions

Since March 2019, RMBI Care Company has been working with Lantern (UK) Ltd, their trusted sustainability partner. Our sustainability strategy was adopted and signed by the Board of Trustees in April 2022 and it is available upon request. Our [Sustainability Statement](#)¹ is now publicly available online.

We have taken the decision to show all our reporting data since the beginning of the SECR compliance scheme. In this way we are hoping to show progress in reducing our energy use and emissions.

Our overall emissions for 2022-23 slightly decreased compared to the previous year. This is mainly due to reductions in energy use (electricity, gas) across our estate as well as the lower electricity conversion factors due to decarbonization of the grid. However, we have noted the increased emissions on our business travel (grey fleet) and our company fleet which is due to increased mileage as well as lack of accurate data and the use of generic conversion factors. The use of fuel for our generators (also increased since last year) is once again estimated based on the number of hours per year the generators are turned on for testing.

Over this reporting year we have fitted a 22.4kW Solar PV Array at Queen Elizabeth Court and we are hoping to increase our onsite generation looking ahead. An electricity and gas meter reading programme (monthly meter readings) is underway for our homes, although in some cases readings are not communicated with the supplier/energy broker.

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We are still planning to work towards understating our water consumption and including more Scope 3 emissions as part of our SECR submissions. We also want to improve our measuring and monitoring of environmental impacts, especially relating to our fleet and business travel, to be able to report more accurately in future.

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 2023 is set out below.

Income

The total incoming resources amounted to £54.0m (2021/22: £54.3m). The major streams of income are detailed below:

Streams of income	2021/22 £m	% of income	2021/22 £m
Income from Residents' Fees	46.9	86.9%	43.8
Donations, Legacies and Grants	6.9	12.8%	9.4
Investment & Other Income	0.2	0.3%	1.1
Total	54.0	100%	54.3

A total of £86k (2021/22: £120k) was spent in generating donations and investment income.

Resources Expended

Operating expenditure for the year amounted to £62.3m (2021/22: £60.3m) whilst the Governance costs amounted to £0.8m (2021/22: £0.8m).

With continual efficiency improvements and cost controls, the expenditure of providing care during this financial year showed a below inflationary increase of 3% to £63.1m.

Net Operating Position

Net operating deficit of the RMBI Care Company amounted to £10.1 million (2021/22; deficit of £4.65m).

In addition, the actuarial loss on the defined benefit pension scheme amounted to £1.24m (2021/22: gain of £1.87m).

The overall net movement in funds for the year was an outflow of £11.3 million (2021/22; outflow of £2.7m).

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Capital Development

During 2022/23 £5.6 million (2021/22: £6.4m) was spent on capital programmes.

The significant project expenditures during the year were:

- New build project (Prince Philip Duke of Edinburgh): £1.6m
- Queen Elizabeth Court – Building refurbishment/Improvements: £0.73m
- Prince George Duke of Kent Court - Building refurbishment/Improvements: £0.64m
- Cornwallis Court - Building refurbishment/Improvements: £0.55m
- Connaught Court - Building refurbishment/Improvements: £0.50m

In addition, £0.6 million was invested on computers and equipment to enhance operational efficiency.

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	Modernisation Plan	Strategy Delivery Plan until 2046 but adaption in the short to medium due to economic climate. The Plan remains ambitious. Revised 10 year Plan adopted by the Board	The risks associated with the new 10 year plan are documented within the 29 March 2023 Board Papers to inform the work of the Development & Delivery Committee.	The interlinking nature of key strategic decisions are identified to inform cash flow, release of assets, and the new build programme
2	Retail Charity Bond	Uncertain market conditions confirms an interest rate of 6.25% to gain investor interest over an initial 6 year payback period.	Success in raising the coupon of £10m with early closure of the Bond issue during February 2023. 60% retail and 40% institutional investment. Bond issue a success with assessment of two further issues in 2026 and 2029 to review to ensure continued market interest.	Bond issue a success with assessment of two further issues in 2026 and 2029 to review to ensure continued market interest.
3	Sustainability Strategy	Requirement to be proactive in adopting green, carbon reduction, and energy saving strategy to raise profile on sustainability. Achieves status as an ethical provider which is also crucial for bond investor reporting	Appoint of specialist consultant to assist with building the agreed Sustainability Strategy with detail on property requirements and template for future build projects.	Longer term benefit in planning programmes which also marks out the RMBI as a trend and ground breaker.

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4	Cornwallis Court New Build	Unable to utilise the Bond funds with resulting costs and continued running of existing loss making home	Engagement of Faithful and Gould Employers Agent to network contractors, consultant support for submitted planning, some flexing on inflationary costs in contract model	Requirement to commence build in 2023.
5	Recession and significant increase in inflation	Costs substantially out strip income and supply chains consequences.	Fixed term deals on utilities for electricity until Oct 24 and Gas Oct 25 in place,	Progression of solar panel programme – Market testing of catering contract for 23/24 – flexing additional shifts to diminish agency cost increases.
6	Cash flow	High death rate in part driven by potential long COVID conditions means a revised 23/24 budget to accommodate trends	Further draw down from reserves required as well as sale at 20 GQS.	Introduction of strategy to only take self-funders and masonic local authority funded residents. Dash board meetings are setting KPI targets and controls on occupancy and staffing costs – progress on 20 GQS with Estate Agent marketing
7	Occupancy	Major impact on income of charity if targets not met	Since August the Charity has stopped non-masonic local authority placements with a focus on full funders. Whilst occupancy trends have slowed as a consequence a stronger income flow is resulting.	84% the current occupancy with a 2% reduction since December 22 trends are monitored weekly Trends for 2023/24 being evaluated for 88-89% occupancy as the mean average by year end
8	Lack of candidates seeking to work in social healthcare	As a result of Covid-19; Brexit; and migration policy attraction of employees in the sector remains a significant challenge. Inability to source or attract candidates to work in care and lack of agency staff to fill short term needs will result in Homes being able to staff to safe levels	Ensuring that our vacancies stand out and candidates click on our job ads first. Marketing of our brand and benefits A joining bonus has been introduced in September 2021 for front line staff offering £1000 for nurses and £250 for other hourly paid Homes roles. Management roles are excluded.	The Recruitment Manager has a dotted line to oversee the management of the Business Relationship Managers in the Homes. Constant reviews of local pay rates are being undertaken and creative open days, social media presence and promotion of refer a friend bonuses are now in place.
9	High and/or unplanned staff turnover and lack	Impact on sustainable person centred care to residents; ability to deliver	Annual salary reviews and above average pay across the care teams; market rate pay for all other functional	Bank teams recruited to support vacant shifts; local / national contract recruitment agencies to provide additional

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	of candidates available in market	local/departmental and corporate business plans	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 enable line managers to pick up on any concerns. Recruitment strategies developed for each Home in conjunction with the ROM/HRBP and Marketing. Recruitment and retention strategy at each location overseen by the ROM/HR BP	cover. Talent management strategy, which provides staff to with clear career paths and understand 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. Electronic Recruitment system launched in July 2018 to enable faster process linked to social media platforms.
10	Catering Contract	Quality of Catering compromising the Quality of Care and Well Being. Adverse ratings and complaint	Current contractor's 5 year contract due for tender exercise or 2 year extension – decision taken to tender for new contract from July 2023	Consultants engaged to offer guidance on time table with four bidders to be considered during April and May.
11	Compliance	Some Care Homes have not been inspected by CQC for over 6 years	Strong programme of internal audit	Action plans in situ with risk identified early
12	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 in reduced occupancy, psychological impacts, loss of reputation,	Continuity Plan Group (CPG) to manage, monitor and regularly review 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.	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.

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		<p>financial impacts, loss of Home.</p> <p>Insufficient provision of medical support increasing impacts of pandemic.</p> <p>Inability to operationally manage Home</p>	<p>Business Critical Partners / Supplier continuity plans known and kept up to date.</p> <p>Isolation and zoning procedures in place.</p> <p>Management of staff and agency staff movement between different provisions.</p> <p>Safe internal and external visiting spaces for residents and relatives. Pre-screening processes to monitor Home staff and visitors as appropriate.</p>	<p>Safe visitor spaces. Reduction in non-essential footfall.</p> <p>Reduce exposure to vulnerable groups through risk assessment</p>
13	<p>Loss of life, serious injury, prosecution due to major Fire Safety incident / failure to adhere to policies, procedures, fire safety regulations</p>	<p>Loss of life or serious injury.</p> <p>Prosecution under the Regulatory Reform (Fire Safety) Act and other related legislation in relation to fire prevention and Health and Safety.</p>	<p>Up to date and appropriate fire safety management policies and procedures in place.</p> <p>Annual fire risk assessment undertaken by independent fire safety consultant.</p> <p>Regular training for all staff within the Homes and offices in fire prevention and incident response.</p> <p>Contractor induction and management system in place, supported by a permit to work system to ensure continued fire safety compliance.</p> <p>Fire log books are completed / maintained by Facilities supported by Property and regularly audited.</p> <p>Regular Home visits by the HSSO to monitor fire safety within the Homes.</p> <p>Fire Risk Assessment and drills monitored and communicated via the monthly H&S dashboard.</p> <p>Hazardous substances stored in line with CoSHH assessment / hazardous substances guidelines.</p> <p>Gas and electrical supplies managed in accordance</p>	<p>Regular training for all staff within the Homes and offices in fire prevention and incident response.</p> <p>Regular fire drills conducted within the Homes and offices.</p> <p>Fire safety systems installed, repaired, maintained and serviced as appropriate by a competent person to current British Standards.</p> <p>A review of fire safety equipment to ensure both compliance and suitability for the environment.</p> <p>All workplace equipment tested, serviced and maintained as appropriate and required by a competent person.</p> <p>Fire safety equipment installed in each Home / office to ensure that it is suitable for the environment.</p>

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			with current legislation and best practice.	
14	Serious illness, prosecution due to failure to adhere to Asbestos Management policies, procedures and regulations	<p>Serious / long term impact to human health (residents / Staff / visitors / contractors).</p> <p>Denial of access to buildings.</p> <p>Prosecution under the Control of Asbestos Regulations and other related legislation in relation to Health and Safety.</p> <p>Prohibition or improvement notices, reputational damage, temporary to long term loss of service.</p>	<p>Annual risk assessment conducted by independent, external asbestos consultants.</p> <p>Regular review of asbestos condition by Facilities teams. Contractor induction.</p> <p>Copy of asbestos register available for use by facilities, property and contractors.</p> <p>Confirmed and suspected asbestos containing materials identified and managed as appropriate in accordance with current legislation.</p> <p>All intrusive contractor works require a refurbishment and Demolition survey prior to works where one have not been performed previously.</p>	<p>All existing and new Facilities team members are asbestos management trained.</p> <p>Asbestos management plan and emergency procedures in place and maintained by Property and Asbestos Management Consultants.</p> <p>Full asbestos management surveys conducted in the majority of Homes.</p> <p>All contractors to be a minimum asbestos aware trained before commencing any works on site.</p>
15	Data Protection and new General Data Protection Regulations 2018	<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>Clear guidelines have been produced for all members of staff. The Data Protection Policy is included in the Employee Handbook. 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 hiring.</p> <p>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>Privacy notices and updated Data Protection Policy</p>	<p>Some 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 protected in the iCare and eMM system.</p> <p>MPLS network provides enhanced network security therefore providing increased security for confidential data.</p> <p>Head Office GDPR audit undertaken with some areas needing focus.</p> <p>Internal auditors check in place at Homes</p>

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			<p>issued to all staff in May 2018 in line with new GDPR.</p> <p>All staff required to undertake GDPR e-learning as part of mandatory training. Enhanced classroom training being delivered at Homes.</p> <p>Trustees also required to undertake e-learning</p>	
16	<p>Loss of life, serious injury, prosecution due to failure to adhere to Health and Safety policies, procedures, regulations</p>	<p>Increase in accidents at work resulting in personal injury or death.</p> <p>Reputation risk. Increased risk to Residents / Visitors / Contractors / Stakeholders.</p> <p>Lack of proactive actions resulting in major / critical incidents.</p> <p>Poor or no incident response resulting in serious loss / death.</p> <p>Loss of reputation resulting in prosecution, improvement / prohibition notices.</p>	<p>Health and Safety Director in role.</p> <p>All SLT undertake IOSH training for Executives / Directors.</p> <p>Home Management teams including Home Manager and Facilities Manager attending relevant IOSH training.</p> <p>Health and Safety Committees now established at each Home with Health and Safety policies reviewed and updated and included in induction programme.</p> <p>DSE and lone working checks regularly undertaken.</p> <p>Moving and Handling as part of Mandatory Training Programme.</p> <p>Fire and evacuation training in place and part of Mandatory Training Programme.</p> <p>Contractor management procedures in place.</p> <p>Additional internal auditor with both auditors reviewing health and safety matters as part of care audit visits.</p> <p>Weekly, monthly and quarterly health and safety checks in each home.</p>	<p>Policies and procedures in place covering legal requirements and supporting positive H&S working practices and culture.</p> <p>H&S Support Officer undertakes regular support and audit visits to all Homes.</p> <p>Internal audit process to monitor and evaluate the effectiveness of property services and service companies and report on findings.</p> <p>Effective communication with the Senior Management team, Senior Leadership team and PR Team.</p> <p>Insurance co. Insurance policies to underwrite any claims.</p> <p>Marketing to handle via PR company.</p>

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			<p>Trustee representative in place to support governance and compliance.</p> <p>Safe systems of work reviewed and maintained at regular intervals by relevant personnel, supported by H&S</p>	
17	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>Prosecution, civil claims, poor reputation</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.</p> <p>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</p>
18	Failure to meet service performance and / or regulatory requirements.	<p>Negative CQC/CIW reports</p> <p>Prosecution and / or enforcement action</p> <p>Adverse reports, poor publicity / reputation</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 compliance reports with on-going auditing and quality checks with scrutiny from the Care & Quality Committee.</p> <p>Continuous monitoring and support delivered by internal Quality and governance team.</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 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.</p>

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19	IT & Digital Technology	Business failure and threat to the operations	Contract arrangements have been reviewed to determine best value for money and a rolling contract remains in place with 24-month- notice to either side.	Monthly IT & Digital Meetings ensure an overview of issues is maintained PRISM external Auditors appointed to undertake audit and review of cyber security risks
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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), 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 in 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 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: SONIA
- Short Term Fixed Income Fund: SONIA plus 0.50% gross of fees
- Short Term Fixed Income Enhanced Plus Fund: SONIA plus 1.00% 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.

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Group unrestricted reserves (after taking into account the pension scheme surplus) amounted to £102.5m (2021/22: £113.5m), of which the Trustees designated £74.9m (2021/22: £67.2m) in the Fixed Asset and New Building Funds. This leaves undesignated reserves of £24.7m (2021/22: £42.3m), which is equivalent to approximately 5-month 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 £4.1m (2021/22: £4.4m).

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.

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.

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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 Company who have sustained its work by their interest and generosity.

On behalf of our Chairman, I would like to thank my fellow Directors for the significant amount of time, energy and expertise they give to the RMBI Care Company. 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 John Boyington CBE

W Bro S Radia

DocuSigned by:

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Chairman

Approved on 26th July 2023

DocuSigned by:

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Director

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**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 2023 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 2023 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

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.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The charitable company is required to comply with both company law and charity law and, based on our knowledge of its activities, we identified the legal requirements to comply with this legislation including the requirement to correctly account for restricted funds. The charity is also required to comply with the Health and Social Care Act and the regulations issued thereunder and compliance with the standards issued by the Care Quality Commission is a key issue.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds and to comply with the care quality standards, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions. We also reviewed reports and ratings published for each care home for the most recent Care Quality Commission inspections to ensure that there were no cases of non-compliance.

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.

**THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY**

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.

DocuSigned by:

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.....
Stephen Anderson (Senior Statutory Auditor)

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

26th July 2023

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2023

		Group Unrestricted funds 2023 £'000	Group Restricted funds 2023 £'000	Group Total 2023 £'000	Group Unrestricted funds 2022 £'000	Group Restricted funds 2022 £'000	Group Total 2022 £'000
	Notes						
INCOME							
Income from Charitable Activities	2	46,979	3	46,982	43,712	112	43,824
Income from Other Trading Activities	3	463	-	463	467	-	467
Income from Investments	4	971	-	971	823	-	823
Donations & Legacies	5	6,797	99	6,896	9,161	207	9,368
Net gain/(Loss) on disposal of fixed assets		(1,285)	-	(1,285)	(179)	-	(179)
TOTAL INCOME		53,925	102	54,027	53,984	319	54,303
EXPENDITURE:							
Expenditure on Raising Funds	6	(86)	-	(86)	(120)	-	(120)
Expenditure on Charitable Activities	7,8	(62,934)	(169)	(63,103)	(60,801)	(195)	(60,996)
TOTAL EXPENDITURE		(63,020)	(169)	(63,189)	(60,921)	(195)	(61,116)
Net Income/(Expenditure) before Investment Gains/(loss)		(9,095)	(67)	(9,162)	(6,937)	124	(6,813)
Net (loss) / Gain on investment assets	11	(931)	-	(931)	2,156	-	2,156
Net Income / (Expenditure)		(10,026)	(67)	(10,093)	(4,781)	124	(4,657)
Transfers between funds		280	(280)	-	429	(429)	-
Net incoming /(outgoing) resources		(9,746)	(347)	(10,093)	(4,352)	(305)	(4,657)
Other recognised gains / losses							
Actuarial Gain / (loss) on defined benefit pension scheme	19	(1,243)	-	(1,243)	1,876	-	1,876
NET MOVEMENTS IN FUNDS		(10,989)	(347)	(11,336)	(2,476)	(305)	(2,781)
Fund balances brought forward at 1st April		113,459	4,438	117,897	115,935	4,743	120,678
Fund balance carried forward at 31st March		102,470	4,091	106,561	113,459	4,438	117,897

All amounts derive from continuing activities.

The notes on pages 34 to 49 form part of these accounts.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

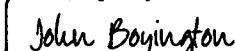
CONSOLIDATED BALANCE SHEET**AS AT 31ST MARCH 2023**

		RMBICC	Group	RMBICC	Group
		31st March	31st March	31st March	31st March
		2023	2023	2022	2022
	Notes	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	9	74,133	76,614	65,296	76,838
Investments	11	23,241	23,241	32,417	32,417
		97,374	99,855	97,713	109,255
CURRENT ASSETS					
Debtors and prepayments	12	9,553	5,935	18,479	5,783
Short term deposits		9,885	9,885	257	257
Cash at bank and in hand		3,576	3,604	3,967	4,237
		23,014	19,424	22,703	10,277
CREDITORS					
Amounts falling due within one year	13	(5,483)	(5,541)	(5,301)	(5,594)
NET CURRENT ASSETS		17,531	13,883	17,402	4,683
CREDITORS					
Amounts falling due more than one year	13 (a)	(10,000)	(10,000)	-	-
NET ASSETS BEFORE PENSION ASSET		104,905	103,738	115,115	113,938
RMBICC defined benefit scheme asset / (liability)	19 (g)	2,823	2,823	3,959	3,959
NET ASSETS AFTER PENSION ASSET		107,728	106,561	119,074	117,897
FUNDS:					
Unrestricted funds					
- Designated funds	14.1 & 14.2	74,956	74,956	67,227	67,227
- Accumulated fund	14.1 & 14.2	25,858	24,691	43,450	42,273
Unrestricted funds before Pension surplus		100,814	99,647	110,677	109,500
RMBI defined benefit scheme net surplus	19 (g)	2,823	2,823	3,959	3,959
Unrestricted funds after Pension surplus		103,637	102,470	114,636	113,459
Restricted funds	15	4,010	4,010	4,357	4,357
Endowment funds	15	81	81	81	81
TOTAL FUNDS		107,728	106,561	119,074	117,897

The financial statements on pages 31 to 49 were approved by the Trustees on 26th July 2023.

and signed on their behalf by:

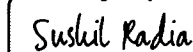
DocuSigned by:



58D0B36682E443

Chairman (VW Bro J Boyington CBE)

DocuSigned by:



828E38F2210D481

Director (W Bro S Radia)

The notes on pages 34 to 49 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 2023**

	Notes	RMBI 2023 £'000	Group 2023 £'000	Group 2022 £'000
Net income / (expenditure) for the reporting period		(9,172)	(9,162)	(6,813)
Adjustments for:				
Depreciation		3,527	3,517	3,911
(Gains) / Loss on disposal of fixed assets		1,285	1,285	179
Investment Income		(974)	(974)	(935)
Defined Benefit Pension Scheme		(107)	(107)	(37)
(Increase) / Decrease in debtors		8,926	(152)	(337)
(Decrease) / Increase in creditors		182	(53)	203
Net cash provided by (used in) operating activities		3,667	(5,646)	(3,829)
Cash flows from investing activities:				
Dividends and interest from investments		974	974	935
Purchase of property, plant and equipment		(14,721)	(5,650)	(6,401)
Discontinued capital project cost written off to revenue		-	-	-
Proceeds from sale of property, plant and equipment		1,072	1,072	2,019
Purchase of investments		(235)	(235)	(289)
Proceeds from sale of investments		8,480	8,480	6,504
Net cash provided by (used in) investing activities		(4,430)	4,641	2,768
Cash flows from Financing activities:				
Cash from Sustainable Bond issue		10,000	10,000	-
Net cash provided by (used in) Financing activities		10,000	10,000	-
Change in cash and cash equivalents in the reporting period	21	9,237	8,995	(1,061)
Cash and cash equivalents at the beginning of the reporting period	21	4,224	4,494	5,555
Cash and cash equivalents at the end of the reporting period	21	13,461	13,489	4,494

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2023

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 2019) – (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.1) 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 surplus 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.

- (b.2) Government grants from government agencies and similar bodies are recognised in the Statement of Financial Activities (SOFA) on a systematic basis over the period in which the Charity recognises expenses for the related costs for which grants are intended to compensate. The grant that imposes specified future performance-related conditions on the recipient is recognised in income only when the performance-related conditions are met. Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

(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.

Interest payable in connection with monies raised by the charity for the construction of new assets is capitalised within the asset constructed and depreciated over its expected useful life.

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 2023

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. Dividends are reinvested in the CAIF on the date that they are declared whilst Interest receivable is recognised on an accruals basis.

Interest receivable in connection with monies raised by the charity for the construction of new assets is offset against the borrowing costs incurred in raising those monies.

(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 2023

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.

As the scheme is closed, and no further benefits are accruing to members, there is no current or past service costs charged in resources expended. 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 2023**

2. INCOME FROM CHARITABLE ACTIVITIES	Note	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	2023 Total £'000	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	2022 Total £'000
Residents' Fee Receivable		46,979	-	46,979	43,712	-	43,712
Financial assistance to the elderly (Loan interest)		-	3	3	-	112	112
		<u>46,979</u>	<u>3</u>	<u>46,982</u>	<u>43,712</u>	<u>112</u>	<u>43,824</u>
3. INCOME FROM OTHER TRADING ACTIVITIES		Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000
Rental & Other Income		463	-	463	467	-	467
		<u>463</u>	<u>-</u>	<u>463</u>	<u>467</u>	<u>-</u>	<u>467</u>
4. INCOME FROM INVESTMENTS		Unrestricted funds £'000	Restricted funds £'000	2023 Total £'000	Unrestricted funds £'000	Restricted funds £'000	2022 Total £'000
Dividends		372	-	372	431	-	431
Interest on cash deposits		12	-	12	1	-	1
Interest Income		587	-	587	391	-	391
		<u>971</u>	<u>-</u>	<u>971</u>	<u>823</u>	<u>-</u>	<u>823</u>
5 DONATIONS, LEGACIES AND GRANTS		Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
Donations		17	52	69	15	63	78
Infection control grants		110	-	110	2,616	-	2,616
Coronavirus Job Retention Scheme grant		-	-	-	9	-	9
Donations from the parent charity		6,670	-	6,670	6,476	-	6,476
Legacies		-	47	47	45	144	189
		<u>6,797</u>	<u>99</u>	<u>6,896</u>	<u>9,161</u>	<u>207</u>	<u>9,368</u>
6. COST OF GENERATING FUNDS:		Staff £'000	Other £'000	Total - 2023 £'000	Staff £'000	Other £'000	Total - 2022 £'000
Cost of generating voluntary income		-	-	-	-	-	-
Investment management cost		-	86	86	-	120	120
		<u>-</u>	<u>86</u>	<u>86</u>	<u>-</u>	<u>120</u>	<u>120</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 2023****7. INFORMATION REGARDING EMPLOYEES AND TRUSTEES**

	2023	2022
	£'000	£'000
Staff costs:		
Wages and salaries	29,406	29,704
Social security costs	2,420	3,124
Pension costs	750	773
Total	32,576	33,601

<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	12	11
70,001 to 80,000	5	6
80,001 to 90,000	4	5
90,001 to 100,000	3	2
100,001 to 110,000	-	-
110,001 to 120,000	2	3
120,001 to 130,000	1	-
130,001 to 140,000	-	-
140,001 to 150,000	-	1
150,001 to 160,000	-	-
160,001 to 170,000	1	-
	28	28

Key management are the members of the Executive Management who received total employment benefits of £809k during the period (2021/22 - £768k).

Staff reorganisation costs, totalling £3k (2021/22 - £6k), 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 28 employees amounted to £172k (2021/22 - £166k).

Average number of full and part time employees:

	No.	No.
Homes	947	1,009
Support	22	21
Marketing	3	3
Management and administration	27	27
	999	1,060

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 £9k (2021/22 - £5k), in relation to travelling and subsistence.

Trustees have taken out Indemnity Insurance and the cost to the Institution was £21k (2021/22 - £20k).

The number of Trustees receiving expenses was four (2021/22 - five).

8 CHARITABLE EXPENDITURE:

	Residential & Care Homes before support costs	Support costs (Head Office)	Sub - Total - Residential & Care Homes with Support Costs	Financial assistance for the	Governance Costs	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff Salaries, Social Security & Pension	28,995	2,895	31,890	-	686	32,576	33,601
Other Staff Costs	948	80	1,028	-	9	1,037	875
Agency staff costs	9,945	15	9,960	-	3	9,963	7,769
Catering supplies	5,502	-	5,502	-	-	5,502	5,159
Building maintenance and refurbishment	2,619	-	2,619	-	-	2,619	2,471
Light, heat, rates and water	2,068	108	2,176	-	-	2,176	2,100
Depreciation	3,366	143	3,509	-	8	3,517	3,911
Furniture and equipment	400	9	409	-	-	409	433
Cleaning and laundry	964	4	968	-	-	968	738
IT and Computer maintenance	518	381	899	-	4	903	857
Insurance	644	115	759	-	21	780	726
Medical expenses	166	-	166	-	-	166	253
Other - restricted fund expenditure	47	-	47	-	-	47	26
Postage, telephone and stationery	307	73	380	-	-	380	393
Audit	-	-	-	-	73	73	77
Legal and professional fees	22	15	37	-	-	37	12
Interest Costs	480	-	480	-	-	480	354
RMBICC defined benefit pension scheme administration cost	212	-	212	-	-	212	126
Miscellaneous	599	548	1,147	-	13	1,160	1,115
Annuities and grants	95	3	98	-	-	98	-
Total	57,897	4,389	62,286	-	817	63,103	60,996

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023****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 2022	99,170	842	952	9,136	110,100
Additions	14,150	6	56	509	14,721
Disposals	(3,308)	-	(96)	(2,449)	(5,853)
At 31st March 2023	110,012	848	912	7,196	118,968
DEPRECIATION:					
At 31st March 2022	(37,803)	(266)	(921)	(5,814)	(44,804)
Charge for the year	(2,586)	(23)	(31)	(887)	(3,527)
Disposals	1,064	-	87	2,345	3,496
At 31st March 2023	(39,325)	(289)	(865)	(4,356)	(44,835)
NET BOOK VALUE:					
At 31st March 2023	70,687	559	47	2,840	74,133
At 31st March 2022	61,367	576	31	3,322	65,296

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 2022	11,904	98,698	842	952	9,136	121,532
Additions	2,296	2,783	6	56	509	5,650
Transfer of completed projects to RMBICC	(11,256)	11,256	-	-	-	-
Disposals	-	(3,308)	-	(96)	(2,449)	(5,853)
At 31st March 2023	2,944	109,429	848	912	7,196	121,329
DEPRECIATION:						
At 31st March 2022	-	(37,693)	(266)	(921)	(5,814)	(44,694)
Charge for the year	-	(2,576)	(23)	(31)	(887)	(3,517)
Disposals	-	1,064	-	87	2,345	3,496
At 31st March 2023	-	(39,205)	(289)	(865)	(4,356)	(44,715)
NET BOOK VALUE:						
At 31st March 2023	2,944	70,224	559	47	2,840	76,614
At 31st March 2022	11,904	61,005	576	31	3,322	76,838

10. CAPITAL COMMITMENTS FOR THE GROUP

	Freehold properties £'000	Long leasehold properties £'000	Vehicles & computer equipment £'000	31st March 2023 Total £'000	31st March 2022 Total £'000
On construction and improvement of Homes and other capital expenditure:					
- Expenditure contracted for	-	-	-	-	891
- Expenditure authorised but not contracted for	852	-	-	852	1,068
	852	-	-	852	1,959

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023****11. FIXED ASSETS****INVESTMENTS FOR RMBICC AND THE GROUP**

	As at 31st March 2023	As at 31st March 2022
	Market values £'000	Market values £'000
<u>(a) Listed Investments</u>		
Masonic Charitable Foundation Investment Fund CAIF	12,611	21,274
	12,611	21,274
Cash held as part of investments:		
Cash held by investment manager	1,055	1,535
	13,666	22,809
<u>(b) Investment Properties</u>	8,392	8,392
<u>(c) Social Investments:</u>		
VDF Loans	1,183	1,216
Total Investments	23,241	32,417
<u>MOVEMENT FOR THE YEAR:</u>	31st March 2023	31st March 2022
	£'000	£'000
<u>(a) Listed Investments & Unlisted Subsidiaries:</u>		
Market value at the beginning of the year	21,274	25,300
Additions	268	318
Proceeds from disposals	-	-
Disposals	(8,000)	(6,500)
Net investment (loss) / gain	(931)	2,156
Market value at the end of the year	12,611	21,274
<u>(b) Investment Properties:</u>		
Market value at the beginning of the year	8,392	8,392
Additions	-	-
Proceeds from disposals	-	-
Property Revaluation (see note 24)	-	-
Market value at the end of the year	8,392	8,392
<u>(c) Social Investments - VDF Loans:</u>	£'000	£'000
Balance at the beginning of the year	1,216	1,245
New loans issued	74	115
Loans repaid	(107)	(144)
Balance at the end of the year	1,183	1,216

RMBI Trading Ltd, Stability Investments Ltd, RMBI (Settlement) Ltd and 19/21 GQS Ltd are wholly owned subsidiaries of RMBI Care Company. Their results are consolidated in these accounts. At 31 March 2023, the capital and reserves of RMBI Trading Ltd. stood at -£696k (2022: -£808k), Stability Investments Ltd was -£360 (2022: -£360), RMBI (Settlement) Ltd was -£8k (2022: -£7k) and 19/21 GQS Limited was £4 (2022 - £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 and resident billing.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

(Charity no. 1163245, Company no. 1293566)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023**

12. DEBTORS	RMBICC	Group	RMBICC	Group
	As at	As at	As at	As at
	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
	Total	Total	Total	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Residents' contributions	3,890	3,890	3,524	3,524
RMBI Trading Limited & RMBI (Settlement) Ltd	3,496	-	13,130	-
Other debtors and prepayments	2,167	2,045	1,825	2,259
	<u>9,553</u>	<u>5,935</u>	<u>18,479</u>	<u>5,783</u>

13. CREDITORS:	RMBICC	Group	RMBICC	Group
	As at	As at	As at	As at
	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
	Total	Total	Total	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Amounts falling due within one year				
Trade creditors	1,572	1,579	996	1,055
Taxation and social security costs	540	540	702	702
Other creditors	1,002	1,002	897	897
Accruals	2,369	2,420	2,706	2,940
	<u>5,483</u>	<u>5,541</u>	<u>5,301</u>	<u>5,594</u>

13 (a). CREDITORS:	RMBICC	Group	RMBICC	Group
	As at	As at	As at	As at
	31-Mar-23	31-Mar-23	31-Mar-22	31-Mar-22
	Total	Total	Total	Total
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Amounts falling due more than one year				
Other creditors (repayable after more than 5 years)	10,000	10,000	-	-
	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>

For the purpose of rejuvenating its property portfolio, RMBI Care Company raised £10m in March 2023 through an issue of £20m sustainable bonds due 2029 issued by RCB Bonds PLC (RCB). £10m of the bonds were sold to institutional and retail investors and the proceeds loaned to RMBI Care Company under the terms of a loan agreement with RCB. The remaining £10m of bonds were retained by RCB and may be sold at the request of RMBI Care Company at a future date, with the proceeds of any such sale advanced to RMBI Care Company as a further advance under the loan agreement.

The interest rate on the bonds, and correspondingly the interest rate on the loan, is a fixed rate of 6.25% per annum until the expected maturity date of the bonds (i.e. 7 March 2029). Interest will be paid semi-annually in arrears on 7 March (3.125%) and 7 September (3.125%) in each 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 2023****14.1 UNRESTRICTED FUNDS FOR RMBICC**

(a) Current year	Balance	Net movements	New	Utilised /	Balance
	31-Mar-22	in funds	designations	released	31-Mar-23
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed asset fund	65,268	-	14,720	(5,884)	74,104
New building fund	1,959	-	3,049	(4,156)	852
	67,227	-	17,769	(10,040)	74,956
Accumulated fund	43,450	(9,863)	(17,769)	10,040	25,858
Unrestricted Funds before Pension Scheme	110,677	(9,863)	-	-	100,814
Defined Benefit Pension Scheme	3,959	(1,136)	-	-	2,823
Unrestricted Funds after Pension Scheme	114,636	(10,999)	-	-	103,637

(b) Previous year	Balance	Net movements	New	Utilised /	Balance
	31-Mar-21	in funds	designations	released	31-Mar-22
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed asset fund	67,279	-	1,831	(3,842)	65,268
New building fund	794	-	3,099	(1,934)	1,959
	68,073	-	4,930	(5,776)	67,227
Accumulated fund	46,843	(4,239)	(4,930)	5,776	43,450
Unrestricted Funds before Pension Scheme	114,916	(4,239)	-	-	110,677
Defined Benefit Pension Scheme	2,046	1,913	-	-	3,959
Unrestricted Funds after Pension Scheme	116,962	(2,326)	-	-	114,636

14.2 UNRESTRICTED FUNDS FOR THE GROUP

(a) Current year	Balance	Net movements	New	Utilised /	Balance
	31-Mar-22	in funds	designations	released	31-Mar-23
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed asset fund	65,268	-	14,720	(5,884)	74,104
New building fund	1,959	-	3,049	(4,156)	852
	67,227	-	17,769	(10,040)	74,956
Accumulated fund	42,273	(9,853)	(17,769)	10,040	24,691
Unrestricted Funds before Pension Scheme	109,500	(9,853)	-	-	99,647
Defined Benefit Pension Scheme	3,959	(1,136)	-	-	2,823
Unrestricted Funds after Pension Scheme	113,459	(10,989)	-	-	102,470

(b) Previous year	Balance	Net movements	New	Utilised /	Balance
	31-Mar-21	in funds	designations	released	31-Mar-22
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed asset fund	67,279	-	1,831	(3,842)	65,268
New building fund	794	-	3,099	(1,934)	1,959
	68,073	-	4,930	(5,776)	67,227
Accumulated fund	45,816	(4,389)	(4,930)	5,776	42,273
Unrestricted Funds before Pension Scheme	113,889	(4,389)	-	-	109,500
Defined Benefit Pension Scheme	2,046	1,913	-	-	3,959
Unrestricted Funds after Pension Scheme	115,935	(2,476)	-	-	113,459

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023****15. RESTRICTED FUNDS RMBICC AND THE GROUP****(a) Current Year**

	Balance 31-Mar-22 £'000	Movement in funds		Balance 31-Mar-23 £'000
		Incoming resources £'000	Expenditure Transfers Gains & (losses) £'000	
Victor Donaldson	2,588	3	(6)	2,585
Specific gifts, donations and legacies for Homes	770	58	(440)	388
Prince Edward Duke of Kent Court, Essex	325	-	-	325
L H Miles	563	-	-	563
Hoists & Disability Aids - Samaritan Fund	7	-	-	7
Good Neighbour & Friends of RMBI	12	1	-	13
NH Fowler	31	-	-	31
Royal Arch holidays	13	-	-	13
Jubilee Masters Nurse Training Scheme	1	-	-	1
Dementia Support - Grand Stewards Lodge	21	-	-	21
Other various	26	40	(3)	63
Sub-Total	4,357	102	(449)	4,010
Endowment Funds (note16)	81	-	-	81
	4,438	102	(449)	4,091

(b) Previous year

	Balance 31-Mar-21 £'000	Movement in funds		Balance 31-Mar-22 £'000
		Incoming resources £'000	Expenditure Transfers Gains & (losses) £'000	
Victor Donaldson	2,501	112	(25)	2,588
Specific gifts, donations and legacies for Homes	991	203	(424)	770
Hutchinson	-	-	-	-
Prince Edward Duke of Kent Court, Essex	329	-	(4)	325
L H Miles	568	-	(5)	563
Hoists & Disability Aids - Samaritan Fund	7	-	-	7
Good Neighbour & Friends of RMBI	11	1	-	12
NH Fowler	31	-	-	31
Royal Arch holidays	13	-	-	13
Jubilee Masters Nurse Training Scheme	1	-	-	1
Dementia Support - Grand Stewards Lodge	21	-	-	21
Other various	24	2	-	26
Sub-Total	4,497	318	(458)	4,357
Endowment Funds (note16)	246	1	(166)	81
	4,743	319	(624)	4,438

Include within current year "Expenditure, Transfers, Gains & (losses)" is a transfer of £280k from Restricted Funds to General Funds. The transfer relates to building refurbishment expenditure incurred during the year from Care Homes Restricted Funds as part of the overall capital program.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023****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 one permanent endowment fund called Cooper and Bull fund for £81k (2022:£81k).

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 2023****17. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE GROUP**

<u>(a) Current Year</u>	Unrestricted funds £'000	Restricted funds £'000	As at 31-Mar-23 Total £'000	As at 31-Mar-22 Total £'000
Properties and equipment	76,585	29	76,614	76,838
Investments	22,058	1,183	23,241	32,417
Current assets	16,547	2,877	19,424	10,277
Current liabilities	(5,543)	2	(5,541)	(5,594)
Long-term liabilities	(10,000)	-	(10,000)	-
RMBICC defined benefit scheme asset	2,823	-	2,823	3,959
Total Net Assets	102,470	4,091	106,561	117,897

<u>(b) Previous year</u>	Unrestricted funds £'000	Restricted funds £'000	As at 31-Mar-22 Total £'000	As at 31-Mar-21 Total £'000
Properties and equipment	76,809	29	76,838	76,546
Investments	31,200	1,217	32,417	36,476
Current assets	7,091	3,186	10,277	11,001
Current liabilities	(5,600)	6	(5,594)	(5,391)
RMBICC defined benefit scheme asset	3,959	-	3,959	2,046
Total Net Assets	113,459	4,438	117,897	120,678

18. CONNECTED PARTIES:**a. Province of Yorkshire, West Riding**

During the period ended 31st March 2023 no contribution was received from the Province of Yorkshire, West Riding towards the running costs of RMBI Homes in Yorkshire (2022 - £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.

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023****18. CONNECTED PARTIES (CONTINUED)****c. Masonic Care Limited**

Masonic Care Limited was incorporated on 21st October 1998 to provide accommodation and care for people with learning disabilities. RMBI Care Company took over the running of the home and the net assets and liabilities were transferred in 2018. This company is 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 2023 was nil (2022 - 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 2023 was nil (2022 - Nil). The administration of Compass Housing Ltd has been transferred to Masonic Charitable Foundation, the parent charity during 2019/20.

19. 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 £750k (2022 - £773k).

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 most recent formal actuarial valuation as at 31 March 2022 have been updated to 31 March 2023 by a qualified independent actuary. The assumptions used were as follows:

<u>Significant actuarial assumptions:</u>	<u>Year ended 31-Mar-23</u>	<u>Year ended 31-Mar-22</u>
Discount rate	4.8%	2.7%
Rate of inflation (RPI)	3.3%	3.9%
Rate of inflation (CPI)	2.7%	3.3%

THE ROYAL MASONIC BENEVOLENT INSTITUTION CARE COMPANY

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023****19. PENSION SCHEME (CONTINUED):**

Principal actuarial assumptions at the balance sheet date (continued)

	Year ended 31-Mar-23	Year ended 31-Mar-22
<u>Other actuarial assumptions:</u>		
Rate of increase in pensionable salaries	3.3%	3.9%
Rate of Increase in pensions - Post 88 GMP	2.3%	2.6%
Rate of Increase in pensions - Pre 97 XS	0.0%	0.0%
Rate of Increase in pensions - Post 97 pension	3.2%	3.7%
Rate of Increase in pensions - Post 05 pension	2.3%	2.4%
Revaluation of deferred pensions (non-GMP)	3.3%	3.9%

Mortality assumptions:

	as per post retirement	as per post retirement
Mortality before retirement		
Mortality before and after retirement - S3PMA / S2PMA	100%	112%
Mortality before and after retirement - S3PFA / S2PFA	100%	120%

Life Expectancies (in years):

	31-Mar-23		31-Mar-22	
	Males	Females	Males	Females
For an individual age 65	21.4	23.8	21.1	23
At age 65 for an individual aged 45	22.7	25.3	22.4	24.5

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

	Year ended 31-Mar-23	Year ended 31-Mar-22
	£'000	£'000
Opening defined benefit obligation	18,234	20,184
Interest cost	480	354
Actuarial (Gain) / Losses	(2,964)	(1,300)
Post service cost	-	-
Benefit paid	(928)	(1,004)
Closing defined benefit obligation	14,822	18,234

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

	22,193	22,230
Opening fair value of Fund assets		
Interest income	587	391
Administration expenses	-	-
Actuarial (loss) / Gains	(4,207)	576
Contributions by employer	-	-
Benefits paid	(928)	(1,004)
Closing fair value of Fund assets	17,645	22,193

f. Assets:

The fair value of the assets of the Scheme were:

Equities	-	4,361
Property	-	-
Corporate Bonds	-	3,764
Fixed Interest gilts	-	-
Index linked gilts	-	2,144
Liability-driven investment (LDI)	-	3,512
Diversified Growth (DGF) & DCFs	-	7,876
Buyout aware funds	17,538	-
Cash and net current assets	107	536
Total	17,645	22,193

The return on the assets was:

Interest Income	587	391
Return on assets less interest income	(4,207)	576
Total return on assets	(3,620)	967

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023****19. PENSION SCHEME (CONTINUED):****g. Reconciliation to the Statement of Financial Position (balance sheet)**

	<u>31-Mar-23</u>	<u>31-Mar-22</u>
	<u>£000</u>	<u>£000</u>
Market value of assets	17,645	22,193
Present value of defined benefit obligation	(14,822)	(18,234)
Fund status	<u>2,823</u>	<u>3,959</u>
Irrecoverable surplus	-	-
Pension asset/(liability) recognised in the SOFA	<u>2,823</u>	<u>3,959</u>

h. The amounts recognised in Statement of Financial Activities:

	<u>Year ended</u>	<u>Year ended</u>
	<u>31-Mar-23</u>	<u>31-Mar-22</u>
	<u>£'000</u>	<u>£'000</u>
<u>The amounts recognised in Statement of Financial Activities:</u>		
Current service costs	-	-
Past service cost	-	-
Interest on obligation	-	-
Net interest received	107	37
Total	<u>107</u>	<u>37</u>
<u>The amounts recognised in Other Recognised Gains/Losses:</u>		
Actuarial gains/(losses) in defined benefit obligation	2,964	1,300
Actual return on assets less interest	(4,207)	576
Total	<u>(1,243)</u>	<u>1,876</u>

i. Future Funding Obligation:

The Trustee is required to carry out an actuarial valuation every 3 years. The most recent actuarial valuation of the Fund was performed by the Scheme Actuary for the Trustee as at 31 March 2019. This valuation revealed a funding surplus of around £1.1m and therefore no deficit contributions are required from the Company. The Company has agreed to pay the ongoing costs of administering the Fund (including the PPF levy) directly. These costs are shown elsewhere in the accounts.

The actuarial valuation of the Fund as at 31 March 2022 is currently being finalised. The preliminary results of this valuation revealed a funding surplus and therefore no deficit contributions are expected to be paid to the Fund during the accounting year beginning 1 April 2023.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED 31ST MARCH 2023****20. 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.

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

	At 31st March 2022 £'000	Cash flow £'000	At 31st March 2023 £'000
Cash at bank and in hand	4,237	(633)	3,604
Short term deposits	257	9,628	9,885
Cash and cash equivalent	4,494	8,995	13,489

(b) Previous year

	At 31st March 2021 £'000	Cash flow £'000	At 31st March 2022 £'000
Cash at bank and in hand	5,462	(1,225)	4,237
Short term deposits	93	164	257
Cash and cash equivalent	5,555	(1,061)	4,494

22 LEGAL STATUS OF THE CHARITY

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

23 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.

24 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.

25 RELATED PARTY TRANSACTIONS

There have been no related party transactions other than those disclosed in note 18.

26 COMPARATIVES

Where there has been a reclassification of incoming resources, outgoing resources, assets or liabilities, the comparative figures have been restated accordingly.