Charity registration number 279313 (England and Wales)

DURHAM FREEMASONS CHARITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

DURHAM FREEMASONS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J. D. Watts (Chairman)	(Resigned 13/2/25)
	S. A. Willis (Treasurer)	(Resigned 13/2/25)
	T. F. Gittins (Secretary)	(Resigned 13/2/25)
	Durham Benevolence Limited	
	D. Maw (Vice Chairman)	(Resigned 13/2/25)
Directors of Durham Benevolence Limited	D. Maw (Vice Chairman)	
	M. Davies	(Appointed 13/2/25)
	I. K. Groves	(Appointed 13/2/25)
	M. A. Thompson	(Appointed 13/2/25)
	S. Fitches	(Appointed 13/2/25)
	J. E. S. Davey	(Appointed 13/2/25)
	K. Turner (Treasurer)	(Appointed 8/3/25)
	R. P. Fitzsimmons	(Appointed 8/3/25)
	L. Nolan	(Appointed 8/3/25)
	B. R. Purser	(Appointed 8/3/25)
	C.Rowell	(Appointed 8/3/25)
	M. Rankin (Chairman)	(Appointed 14/6/25)
	J. R. Allison	(Appointed 14/3/26)
	M. W. Aram	(Appointed 14/3/26)
	I. Jewell	(Appointed 18/5/26)

R.G. Scott is the company secretary of Durham Benevolence Limited

Charity number	279313
Principal address	Prov Grand Lodge & Chapter Durham 8 The Esplanade Sunderland Tyne & Wear SR2 7BH
Auditor	Allen Sykes Audit Limited 5 Henson Close South Church Enterprise Park Bishop Auckland Co Durham DL14 6WA

DURHAM FREEMASONS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors	Peter Ross and Co 2 Jasmine Villas Whickham Newcastle upon Tyne NE16 4JH Muckles LLP Time Central 32 Gallowgate Newcastle Upon Tyne NE1 4BF
Bankers	National Westminster Bank Plc 52 Fawcett Street Sunderland SR1 1SB Virgin Money 43 Fawcett Street Sunderland SR1 1SA Lloyds Bank Plc 54 Fawcett Street Sunderland SR1 1SF
Stockbrokers	RBC Brewin Dolphin Time Central, 32 Gallowgate Newcastle upon Tyne NE1 4SR
Housing Management	KRD Associates t/a Nest Egg Homes 49 Mandale Road Stockton-on-Tees Thornaby Cleveland TS17 6AD
Sheltered Housing Developments	Peter Stracey House Ebdon Lane Sunderland SR6 9AF Boundary Court Kingsway Bishop Auckland DL14 7JE

DURHAM FREEMASONS CHARITY

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DURHAM FREEMASONS CHARITY

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

It is a pleasure to present my first Chairman's report after taking over from John Watts following his appointment as the head of Durham Freemasons in June 2025. I would congratulate him on his promotion and thank him for the last three years of service during his second term as Chairman of the Durham Freemasons Charity. During this time he oversaw the successful renaming and rebranding of the charity, modernisation of our legal constitution, and the strengthening of our internal controls and working practices. I am grateful to take on the Chairmanship with the charity in such a strong position, both constitutionally and financially.

Legal and governance update

The transition from multiple individual trustees to a single corporate trustee was approved by the Charity Commission in February 2025. From then the board of directors of Durham Benevolence Limited became wholly responsible for the governance of the charity. I would like to thank all those who served on the old and new governing bodies during 2025, all of whom have contributed to the success of this important step forward.

Grants paid

The total value of charitable grants awarded in 2025 was almost £227,000. This comprised Community Support Grants of £119,000 given to more than 100 local organisations; Norman Jackson Fund grants of £95,000; grants to individuals including education and emergency grants of £3,000, and other charitable donations of £10,000.

Our community grants were boosted this year by more than £10,000 of matched funding contributions received from individuals and lodges, and I thank everyone who participated to make this possible.

The largest payments during 2025 included:

- £35,000 to Feeding Families to help fight food poverty through the provision of emergency food boxes and support packages to those in desperate need. Durham Freemasons also provided support by volunteering in the packing and distribution warehouse throughout November and December when the Charity is at its busiest.
- £15,000 to The King's Trust to continue with the popular and successful Dragon's Den scheme. This allows young people, not in education or employment, to present their community enhancement ideas to a panel of Freemasons acting as Dragons. If successful, with their funding requests, they were then required to deliver their chosen projects. The training, presentation and delivery process allowed them to gain valuable experience and receive a huge boost in confidence for their return to seeking employment.
- £13,000 to the Sacriston Youth Project to help young people, in one of the most deprived villages in the UK, to gain confidence building experience, sailing with the Tall Ships Youth Trust.
- £11,198 to Friends of Durham Trinity School towards playground amenities.
- £6,200 to Gateshead Football Club Community Foundation to fund football coaching for children aged 11 to 16.
- £5,300 to St Cuthbert's Hospice (boosted by £1,300 of lodge contributions).
- £4,800 to establish a new the Elemore Park Parkrun in Hetton le Hole alongside the Provision of several volunteers to help in the running of the events.
- £4,536 to St Teresa's Hospice (enabled by matched funding contributions of over £2,300).
- £4,500 to Chester le Street Amateur Rowing Club to provide a new training boat.
- £4,500 to North East Immediate Care.
- £4,311 to South Tyneside and Sunderland NHS Trust.
- £4,250 to Sunderland Women's Centre.

I am immensely proud that we have been able to support so many other worthy causes with payments ranging from £200 to £3,000, and covering a wide range of needs from the essential work of relieving poverty and tackling the challenges of disability, to enabling young people in our region to participate in theatre, music and sport.

Armed Forces Committee

I am delighted to announce the launch of funding for the Armed Forces Committee (AFC) as well as providing oversight in the management and distribution of funds raised by the committee. The AFC supports military personal, veterans and their families by strengthening ties with the armed forces community, promoting the Armed Forces Covenant, and running local initiatives. It comprises veterans and serving personnel from across all branches of the armed forces. The Armed Forces fund was initiated with an award of £10,000 from the Charity's general funds. These have been boosted by a gift of £5,000 from the Provincial Grand Lodge of Durham from the proceeds from the sale of Poppy ties. Additional external donations were received of £3,268. Donations have been made to established armed forces charities operating in our region such as the Army Benevolent Fund and SSAFA. General support has included funding for forces breakfast clubs and the provision of Remembrance Day wreaths throughout the Province. The Armed Forces fund is reported as a restricted fund within the charity's accounts and any unspent balance will be carried forward exclusively for distribution by the AFC.

Almoner's fund

Durham Freemasons Charity continues to incorporate the financial activities of the Provincial Almoner through the operation of a restricted fund. The Almoners fund receives donations from closing lodges and occasional donations from other lodges so that the Almoner can provide welfare support, through a network of Caring Volunteers, to the widows of those lodges that have now closed. This support can stretch over decades and the charity's role is to ensure we maintain the funds to fulfil that commitment. Income in the year was £925 and expenditure, which was mainly in the form of Christmas Gifts, amounted to £3,054.

TLC fund

We also receive and distribute funds on behalf of the Teddies for Loving Care project within the Province. This amazing scheme donates distraction bears to hospital A & E departments in the area, and to date we have gifted over 140,000 teddies for use with children in distress throughout the Province of Durham. There are similar schemes across the country and over 4 million bears have now been donated nationally. This landmark Teddy was presented in our region, by John Watts, at the completion of a 160 mile fund raising cycle ride by Durham Freemasons.

The charity received £15,639 from lodges and brethren during 2025 and paid out £13,551 towards the costs of providing the bears. A further £30,000 was paid into Durham TLC's relief chest held by the Masonic Charitable Foundation.

Conclusion

Finally I would like to express my gratitude to all who have given their time, energy and commitment throughout this busy year, including our board members, all those who brought their knowledge and expertise to the various special committees, all the individual charity representatives from lodges around the Province, our communications team and especially our administration team at Provincial Office.

I look forward to extending this success into 2026 and beyond as we continue to engage with local charitable organisations to maximise the impact of the generous donations of Durham Freemasons to improve lives and benefit local communities across our region.

M Rank

Martin Rankin
Chairman

Date: 28:10:26

DURHAM FREEMASONS CHARITY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their annual report and financial statements for the year ended 31 December 2025.

The Charity is registered with the Charity Commission (Registration number: 279313) as Durham Freemasons Charity (formerly The Durham Masonic Benevolent Fund).

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Durham Freemason Charity is a masonic organisation set up by trust deed dated 24 July 1956. The object of Durham Freemasons Charity is to provide support for the needy brethren of masonic lodges in the Province of Durham and their dependants, to provide children of brethren with assistance to further their education and to support organisations that provide benefit to the local community.

In order to further these objectives, the activities of the charity can be categorised as follows:

- Provision of sheltered accommodation to aged brethren and/or their dependants,
- Awarding grants to needy brethren, their dependants and widows,
- Awarding grants to the children of brethren, to assist their engagement in community projects,
- Awarding Community Support Grants, and
- Provision of holiday or convalescent breaks for needy brethren and dependants.

Public Benefit Statements

The trustees have had regard to the Charity Commission's guidance on their legal duty on public benefit, and are satisfied that the Charity delivers public benefit, and due regard is paid to the guidance on public benefit when deciding on what new projects the charity should undertake.

Grant Making Policy

The governing body is responsible for making decisions on the types of projects and activities the charity wishes to support, and for ensuring these are in accordance with the charity's objectives. It is also responsible for setting budgets and implementing policies and procedures.

The review and approval of grants is delegated to various committees covering specific funding categories, namely the Community Support Grant committee, the Norman Jackson fund committee, the Armed Forces committee, and the Education committee, each having autonomy in reviewing and approving grant applications.

Emergency welfare grants which, by their nature, need to be made quickly to beneficiaries can be made with the joint agreement of the Chairman and Vice Chairman. These are reported and ratified at the next governing body meeting.

Achievements and performance

The charity continues to administer the two sheltered accommodation housing developments known as Peter Stracey House and Boundary Court.

The charitable activities and achievements for the year are detailed in the Chairman's report on pages 1 to 2.

Financial review

Total income for the year was £516,938. The expenditure incurred totalled £592,846 and there were gains on investment assets totalling £122,123 meaning that the charity generated a surplus during the year of £46,215.

Reserves policy
The notes to the financial statements show the assets and liabilities attributable to the various funds by type and also shows the various trusts of the charity and summarises the period's movements on each fund.

The General Purposes Committee has examined the requirement for free reserves, which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed and consider that this should be at a level to give sufficient working capital to cover core costs for the next year.

Unrestricted free reserves at 31 December 2025 amounted to £575,542. The trustees believe the level of free reserves held to be adequate to cover the requirements prescribed in the reserves policy.

Investment Policy
The governing body delegates decision making on investments to the Investment Sub-Committee, who have the power to invest in such stocks, shares, property and other assets as they see fit. Quarterly reports are submitted by our stockbroker, together with recommendations for managing the portfolio in the forthcoming quarter. The policy is to adopt a medium risk strategy based on maximising the returns on the investments whilst obtaining reasonable growth in the market value of the portfolio.

Risk assessment
The General Purposes Committee has assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and is satisfied that systems are in place to mitigate any exposure to major risks.

Plans for future periods
The Directors are mindful of the continuing decline in voluntary donations from Brethren and Lodges. However, they are encouraged by more positive forecasts for other income streams, including rental income, investment returns, and deposit interest. Having also considered the charity's strong reserve position, the Directors are confident that grant-making can be maintained in 2026 at levels broadly consistent with those of 2025.

2026 will also see the repurchase of a number of leasehold interests held by tenants in the charity's sheltered housing, for which purpose a reserve is already in place. This action will boost future rental incomes as well as securing greater control over the investment properties themselves.

Structure, governance and management
The members of Durham Freemasons Charity are the principal officers of the Provincial Grand Lodge of Durham, together with up to six nominees of the Provincial Grand Master, appointed annually at the members' annual general meeting, and a representative of each Lodge in the Province of Durham who is proposed and appointed annually within their own lodge. Collectively, the members make decisions on the charity's constitution, appoint and remove trustees, appoint and remove directors, and also vote on appointments to the various committees. There are four general meetings per year including the annual general meeting.

The trustees who served during the year and up to the date of signature of the financial statements were:

J. D. Watts	(Resigned 8 March 2025)
S. A. Willis	(Resigned 8 March 2025)
T. F. Gittins	(Resigned 8 March 2025)
Durham Benevolence Limited	
D. Maw	(Resigned 8 March 2025)

From 8 March 2025 the directors of the corporate trustee, Durham Benevolence Limited, became wholly responsible for the strategy and management of the charity.

The board of directors meets quarterly but delegates the day-to-day management of specific areas to specialist committees. Separate committees oversee grant-making, the sheltered housing estates and investments, together with other areas of charitable activity, including the Armed Forces Committee, the Almoner's Office and Teddies for Loving Care (TLC). Each committee then reports back to the board on a quarterly basis.

Relationship with Wider Network
The Benevolent Committee works closely with a number of other local Charities and the Masonic Charitable Foundation.

Other local charities:

- Provincial Grand Mark Benevolent Fund - available to assist necessitous Mark Masons and their dependants.

Masonic Charitable Foundation (MCF) whose charitable activities include:

- Provision of care for the children of deceased or distressed Brethren with the aim of providing, as far as possible, the same opportunities in life as would have been available had death or misfortune not occurred. The Province has girls and boys under the care of the trust.
- The maintenance of a number of residential homes for Brethren and their dependants.
- Providing support for needy, sick and infirm Freemasons, their partners, children and dependants. Relief may only be granted to those applicants who are unable to obtain medical treatment or support on the NHS without undue delay or hardship.
- Providing support for Masonic petitioners in distressed circumstances, other Masonic charities and non-Masonic charities.

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

The trustees' report was approved by the Board of Trustees.

K. Turner (Treasurer)
For & on behalf of Durham
Benevolence Limited
Director

R. G. Scott (Secretary)
For & on behalf of Durham
Benevolence Limited
Company Secretary

Date: 28/10/26

DURHAM FREEMASONS CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DURHAM FREEMASONS CHARITY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DURHAM FREEMASONS CHARITY

Opinion

We have audited the financial statements of Durham Freemasons Charity (the 'charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

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 charity 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 charity'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 contained within the annual report. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, taxation legislation, data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind any identified significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

John P Yarrow FCA (Senior Statutory Auditor)
For and on behalf of Allen Sykes Audit Limited, Statutory Auditor
Chartered Accountants
5 Henson Close
South Church Enterprise Park
Bishop Auckland
Co Durham
DL14 6WA

Date: 28/10/26

DURHAM FREEMASONS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

Current financial year

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Total 2024 £
Income and endowments from:						
Donations and legacies	3	30,051	37,351	-	67,402	106,943
Investments	4	446,125	223	-	446,348	417,219
Other income	5	3,188	-	-	3,188	187
Total income		479,364	37,574	-	516,938	524,349
Expenditure on:						
Raising funds	6	193,671	19,518	-	213,189	234,624
Charitable activities	7	272,436	69,065	-	341,501	315,648
Boundary Court/Peter Stracey House Repair Funds		38,156	-	-	38,156	45,459
Other	13	-	-	-	-	11,723
Total expenditure		504,263	88,583	-	592,846	607,454
Net gains/(losses) on investments	14	122,123	-	-	122,123	140,067
Net incoming/(outgoing) resources before transfers		97,224	(51,009)	-	46,215	56,962
Gross transfers between funds		(48,879)	48,879	-	-	-
Net movement in funds		48,345	(2,130)	-	46,215	56,962
Fund balances at 1 January 2025		10,845,510	121,329	16,980	10,983,819	10,926,857
Fund balances at 31 December 2025		10,893,855	119,199	16,980	11,030,034	10,983,819

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

DURHAM FREEMASONS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

Prior financial year

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Income and endowments from:					
Donations and legacies	3	92,368	14,575	-	106,943
Investments	4	417,219	-	-	417,219
Other income	5	187	-	-	187
Total income		509,774	14,575	-	524,349
Expenditure on:					
Raising funds	6	234,624	-	-	234,624
Charitable activities	7	310,048	5,600	-	315,648
Boundary Court/Peter Stracey House Repair Funds		-	45,459	-	45,459
Other	13	2,500	9,223	-	11,723
Total expenditure		547,172	60,282	-	607,454
Net gains/(losses) on investments	14	140,067	-	-	140,067
Net incoming/(outgoing) resources before transfers		102,669	(45,707)	-	56,962
Gross transfers between funds		(34,061)	34,061	-	-
Net movement in funds		68,608	(11,646)	-	56,962
Fund balances at 1 January 2024		10,776,902	132,975	16,980	10,926,857
Fund balances at 31 December 2024		10,845,510	121,329	16,980	10,983,819

DURHAM FREEMASONS CHARITY

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Investment properties	**16**		8,342,913		8,408,609
Investments	**17**		2,111,579		2,034,625
			10,454,492		10,443,234
Current assets					
Debtors	**18**	96,352		77,804	
Cash at bank and in hand		492,635		526,802	
		588,987		604,606	
Creditors: amounts falling due within one year	**19**	(13,445)		(64,021)	
Net current assets			575,542		540,585
Total assets less current liabilities			11,030,034		10,983,819
Capital funds					
Endowment funds - general	**20**		16,980		16,980
Income funds					
Restricted funds	**21**		119,199		121,329
Unrestricted funds					
Designated funds	**23**	4,194,851		4,442,153	
General unrestricted funds		6,699,004		6,403,357	
			10,893,855		10,845,510
			11,030,034		10,983,819

The financial statements were approved by the Trustees on 28/10/26

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K. Turner (Treasurer)
For & on behalf of Durham
Benevolence Limited
Director

DURHAM FREEMASONS CHARITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash absorbed by operations	**25**		(591,380)		(360,696)
Investing activities					
Purchase of investment property		-		(216,189)	
Proceeds from disposal of investment property		58,395		-	
Purchase of other investments		(53,722)		(1,369,450)	
Proceeds from disposal of other investments		106,192		996,658	
Investment income received		446,348		417,219	
Net cash generated from/(used in) investing activities			557,213		(171,762)
Net cash generated from financing activities			-		-
Net decrease in cash and cash equivalents			(34,167)		(532,458)
Cash and cash equivalents at beginning of year			526,802		1,059,260
Cash and cash equivalents at end of year			492,635		526,802

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

Durham Freemasons Charity is a charity registered in England and Wales.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3 Donations and legacies

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds	Restricted funds	Total
	2025	**2025**	**2025**	2024	2024	2024
	£	**£**	**£**	£	£	£
Donations and gifts	30,051	37,351	67,402	90,168	14,575	104,743
Legacies receivable	-	-	-	2,200	-	2,200
	30,051	37,351	67,402	92,368	14,575	106,943
Donations and gifts						
General Donations	19,814	-	19,814	81,605	-	81,605
TLC Donations	-	15,639	15,639	-	14,575	14,575
Almoners Collections	-	925	925	8,422	-	8,422
Armed forces fund	-	8,268	8,268	-	-	-
Other	10,237	12,519	22,756	141	-	141
	30,051	37,351	67,402	90,168	14,575	104,743

4 Income from investments

	Unrestricted funds	**Restricted funds**	**Total**	**Unrestricted funds**	**Restricted funds**	**Total**
	2025	**2025**	**2025**	**2024**	**2024**	**2024**
	£	**£**	**£**	**£**	**£**	**£**
Rental income	385,971	-	385,971	355,079	-	355,079
Other income	55,471	-	55,471	39,347	-	39,347
Interest receivable	4,683	223	4,906	22,793	-	22,793
	446,125	223	446,348	417,219	-	417,219

5 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	38	187
Masonic Break income	3,150	-
	3,188	187

6 Expenditure on raising funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Investment management	193,671	19,518	213,189	234,624	-	234,624

7 Expenditure on charitable activities

	Charitable Activities 2025 £	Charitable Activities 2024 £
Direct costs		
Masonic Break	7,171	13,083
Armed Forces Fund	6,169	-
Relief Chest Payments	1,672	-
TLC Payments	43,534	-
Other costs	3,724	-
	62,270	13,083
Grant funding of activities (see note 8)	226,848	245,699
Share of support and governance costs (see note 9)		
Support	42,788	49,216
Governance	9,595	7,650
	341,501	315,648
Analysis by fund		
Unrestricted funds	272,436	310,048
Restricted funds	69,065	5,600
	341,501	315,648

8 Grants payable

	Charitable Activities 2025 £	Charitable Activities 2024 £
Grants to institutions:		
Community Support Grants	118,700	136,689
Norman Jackson Legacy Grants	94,698	98,100
Other	10,500	-
	223,898	234,789
Grants to individuals	2,950	10,910
	226,848	245,699

9 Support costs allocated to activities

	2025 £	2024 £
Other expenses	2,494	985
Legal and professional	2,196	10,731
Rates	598	-
Management charges payable	37,500	37,500
Governance costs	9,595	7,650
	52,383	56,866
Analysed between:		
Charitable Activities	52,383	56,866

Governance costs comprise:	2025 £	2024 £
Audit and accountancy	8,400	7,200
Trustees meeting expenses	1,195	450
	9,595	7,650

10 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	9,000	7,200

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

13 Other

	Total £ 2025	Unrestricted funds 2024	Restricted funds 2024	Total £ 2024
Other expenditure	-	2,500	9,223	11,723
	-	2,500	9,223	11,723

14 Gains and losses on investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	129,424	75,651
Revaluation of investment properties	(7,301)	64,416
	122,123	140,067

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

16 Investment property

	2025 £
Fair value	
At 1 January 2025	8,408,609
Disposals	(58,395)
Net gains or losses through fair value adjustments	(7,301)
At 31 December 2025	8,342,913

The investment properties were revalued by D & G Surveying Services, Chartered Surveyors on 12 December 2023 on the basis of market value of vacant possession. The trustees believe that the value of the properties held has not changed significantly since that date.

The total fair value of the property for which the charity holds title is £9,384,251. However, excluded from the carrying value of investment property above is £1,041,338 (2024 - £975,642) in relation to the long leaseholder's interests for specific properties within the buildings.

	2025 £	2024 £
Freehold	8,342,913	8,408,609
Long leasehold	-	-
Short leasehold	-	-

17 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2025	2,034,625
Additions	53,722
Valuation changes	129,424
Disposals	(106,192)
At 31 December 2025	2,111,579
Carrying amount	
At 31 December 2025	2,111,579
At 31 December 2024	2,034,625

17 Fixed asset investments (Continued)

	2025	2024
	£	£
Investments at fair value comprise:		
Equities	1,624,548	1,557,756
Investment Trusts & Unit Trusts	-	165,371
UK Fixed Interest	-	40,352
Cash	91,042	271,146
Bonds	275,000	-
Alternatives	120,989	-
	2,111,579	2,034,625

18 Debtors

Amounts falling due within one year:	2025	2024
	£	£
Other debtors	80,868	64,609
Prepayments and accrued income	15,484	13,195
	96,352	77,804

19 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	80	38,408
Other creditors	2,250	12,220
Accruals and deferred income	11,115	13,393
	13,445	64,021

20 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 January 2025	At 31 December 2025
	£	£
Permanent endowments		
Ernest Dixon Scholarship Fund	16,980	16,980

20 Endowment funds (Continued)

Previous year:

	At 1 January 2024	At 31 December 2024
	£	£
Permanent endowments		
Ernest Dixon Scholarship Fund	16,980	16,980

The Ernest Dixon Scholarship endowment fund is held to generate income to provide grants to children of brethren who are students at University or Technical Colleges.

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2025	Incoming resources	Resources expended	Transfers	At 31 December 2025
	£	£	£	£	£
Ernest Dixon Scholarship Fund	3,919	185	(750)	-	3,354
Durham Masonic Education Fund	28,914	-	-	-	28,914
Durham Masonic Scholarship Fund	13,664	-	-	-	13,664
Repair Contribution Fund	31,059	-	-	(8,847)	22,212
Durham Relief Chest Fund	1,672	-	(1,672)	-	-
Search and Rescue	265	-	(265)	-	-
BC Repair Fund	10,671	-	(19,518)	8,847	-
TLC Donations	31,165	15,639	(43,551)	-	3,253
Almoners Fund	-	963	(3,139)	37,879	35,703
Restricted Donations Fund	-	12,519	(13,519)	1,000	-
Armed Forces Committee Fund	-	8,268	(6,169)	10,000	12,099
	121,329	37,574	(88,583)	48,879	119,199

21 Restricted funds (Continued)

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
Ernest Dixon Scholarship Fund	3,919	-	-	-	3,919
Durham Masonic Education Fund	34,514	-	(5,600)	-	28,914
Durham Masonic Scholarship Fund	13,664	-	-	-	13,664
Repair Contribution Fund	36,001	-	-	(4,942)	31,059
Durham Relief Chest Fund	1,672	-	-	-	1,672
Search and Rescue	265	-	-	-	265
PSH Repair Fund	-	-	(28,043)	28,043	-
BC Repair Fund	17,127	-	(17,416)	10,960	10,671
TLC Donations	25,813	14,575	(9,223)	-	31,165
	132,975	14,575	(60,282)	34,061	121,329

Purpose of restricted funds:
Ernest Dixon Scholarship Fund - To provide grants to children of brethren who are students at Universities or Technical Colleges.
Durham Masonic Education Fund - To provide assistance in the education and maintenance of necessitous children aged between five and eighteen.
Durham Masonic Scholarship Fund - To provide grants to children of brethren who are students at Universities or Technical Colleges.
Repair Contribution Fund - Monies given for the charity to cover property expenditure costs as landlords.
Durham Relief Chest Fund - Donations given towards the relief chest fund.
Search and Rescue - Donations given to help search and rescue charities via community support grants.
PSH Repair Fund - Funds held to cover future maintenance work on Peter Stracey House.
BC Repair Fund - Fund held to cover future maintenance work on Boundary Court.
TLC Donations - Donations given towards the Teddies for Loving Care project.
Almoners Fund - To provide welfare support for the widows of closed lodges.
Restricted Donations Fund - To ring-fence funds received for specific purposes, including match funding received towards specific community support grants.
Armed Forces Committee Fund - Donations given to be specifically used for the purposes of supporting members and former members of the armed forces.

22 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total 2025
	£	£	£	£
At 31 December 2025:				
Investment properties	8,342,913	-	-	8,342,913
Investments	2,111,579	-	-	2,111,579
Current assets/(liabilities)	439,363	119,199	16,980	575,542
	10,893,855	119,199	16,980	11,030,034

22 Analysis of net assets between funds **(Continued)**

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 December 2024:				
Investment properties	8,408,609	-	-	8,408,609
Investments	2,034,625	-	-	2,034,625
Current assets/(liabilities)	402,276	121,329	16,980	540,585
	10,845,510	121,329	16,980	10,983,819

23 Unrestricted funds

	Balance at 1 January 2024	Resources expended	Gains and losses	Balance at 1 January 2025	Resources expended	Transfers	Gains and losses	Balance at 31 December 2025
	£	£	£	£	£	£	£	£
Designated Reserve Fund	800,000	-	-	800,000	-	-	-	800,000
Legacy Fund	145,303	-	-	145,303	-	(145,303)	-	-
Norman Jackson Fund	647,121	(98,100)	-	549,021	(94,698)	-	-	454,323
General Reserves:	-	-	-	-	-	-	-	-
Revaluation Reserve	2,883,413	-	64,416	2,947,829	-	-	(7,301)	2,940,528
	4,475,837	(98,100)	64,416	4,442,153	(94,698)	(145,303)	(7,301)	4,194,851

Purpose of funds:
Designated Reserve Fund - To meet the cost of the future repurchase of properties.
Legacy Fund - To match fund projects carried out by Brethren at the discretion of the General Purposes Committee.
Norman Jackson Fund - To allocate monies from the Norman Jackson legacy.
Revaluation Reserve - Unrealised gains on the revaluation of investment property.

24 Related party transactions

Mr T F Gittins and Mr M Rankin (who between them were directors of Durham Benevolence Limited, the corporate trustee, for the entirety of the year) were the deputy provincial grand master and executive member of the board respectively of Provincial Grand Lodge of Durham. Included in support costs is a management charge of £37,500 (2024 - £37,500)from Provincial Grand Lodge of Durham. Included in income from donations is £5,000 in relation to amounts received from Provinical Grand Lodge of Durham. Included in expenditure on charitable activities is £675 in relation to goods purchased from Provincial Grand Lodge of Durham.

25 Cash absorbed by operations

	2025 £	2024 £
Surplus for the year	46,215	56,962
Adjustments for:		
Investment income recognised in statement of financial activities	(446,348)	(417,219)
Fair value gains and losses on investment properties	7,301	(64,416)
Fair value gains and losses on investments	(129,424)	(75,651)
Movements in working capital:		
(Increase)/decrease in debtors	(18,548)	88,321
(Decrease)/increase in creditors	(50,576)	51,307
Cash absorbed by operations	(591,380)	(360,696)

26 Analysis of changes in net funds

The charity had no material debt during the year.