



Financial Highlights

2022 was the first year since 2019 when the operations of UGLE were not restricted in some way by the Coronavirus pandemic. However, the effect of the pandemic continues to cast a long shadow over our operations, and its effects can still be seen in the 2022 accounts. Our income recovered somewhat, although in the face of continuing headwinds; we are increasing our efforts to maximise income from other sources to offset these. Meanwhile costs increased as activities which had been in abeyance during the pandemic resumed, and all costs were affected by rising inflation. These pressures were offset by actions to bear down on cost, plus management of the timing of significant project expenditure.

INCOME

Our total income rose by 11% compared to 2021, and has now returned to its pre-pandemic level. Income from annual dues was £7.4 million, £0.6m below the 2021 level. Membership has fallen by 9% since 2019, as our normal rate of attrition was not offset by initiations and joiners during the lockdowns. The good news is that the rate of initiations has now recovered. With our new strategy in place, we hope that our membership will begin to grow over the next few years. Investment income grew by 22% to £2.3 million, driven by a recovery in income from our investment properties – although a number of vacancies still remain. Our trading income more than doubled to £1.7 million as activity in the Shop, Café and Bar at Freemasons' Hall increased.

COSTS

Trading cost of sales increased by 74% to £1.0 million (lower than the rate of increase of trading income); and utility costs increased by 34% as the holiday in rates payments during the pandemic came to an end. The latter increase also affected the recharges of costs to the other occupants of Freemasons' Hall. Energy cost increases were muted

as we benefited from fixed price contracts for the majority of 2022, so the full impact of energy price rises will not be seen until next year. Travel costs increased significantly as activity resumed following the lockdowns. Offsetting these increases, project costs reduced to £0.6 million (2021 - £1.0 million) as a number of projects we had undertaken during the lockdowns were concluded, and the timing of new projects was managed to protect our cash flow. Priority was given to those projects with greatest benefit to the membership, such as Hermes. Meanwhile, given the deficits experienced during the pandemic years, we were compelled to reduce our funding of the Museum to £0.6 million (2021 - £1.0 million).

Overall, our operating income was £0.1 million, an improvement on last year's deficit of £0.2m.

OTHER ITEMS

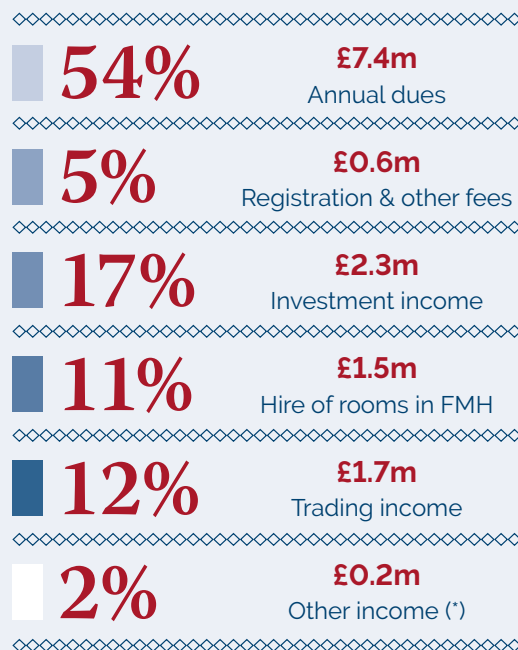
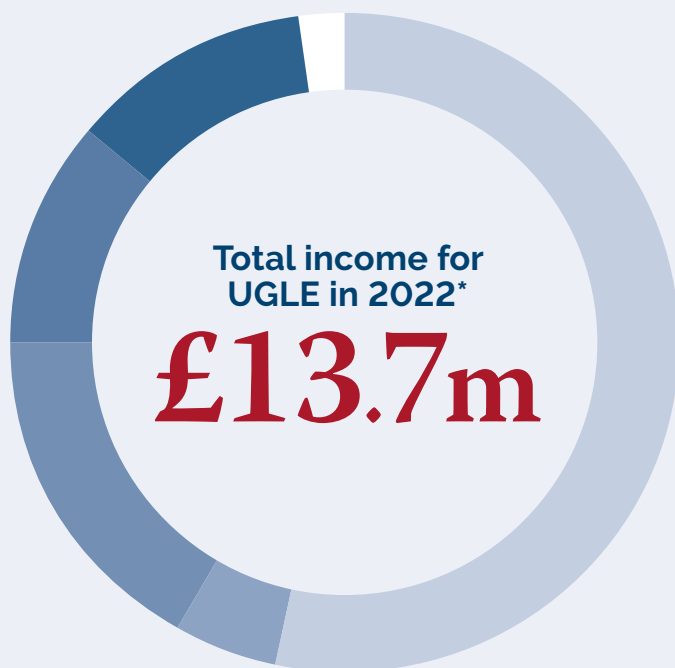
Our financial investments are revalued to market value every year. In 2022 this resulted in a fall of £0.8m (6.6%), in line with market conditions. This was slightly offset by a rise of £0.2m (0.3%) in valuation of our investment properties. The continued rise in bond yields had a favourable impact on the actuarial valuation of our defined benefit pension scheme, which recorded an actuarial surplus for the first time for many years. AUD/15/23

Our balance sheet remains strong, with net assets at £68.4 million. We are, however, highly conscious of both the deficits which arose during the pandemic years, and of the challenges lying ahead as we position the organisation to deliver the service required to support our new strategy. We remain committed to the principle that our ongoing operations should be funded from membership income and projects from investment income, and to ensure we continue to provide good value for our members' dues.

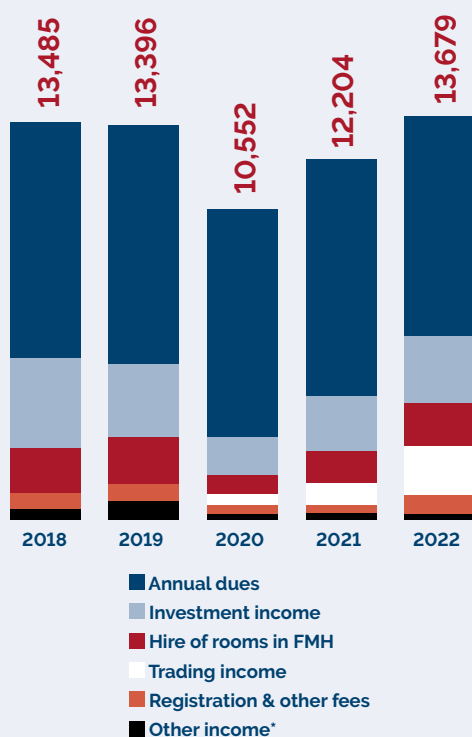
DAVID BELL
Grand Treasurer



TOTAL INCOME

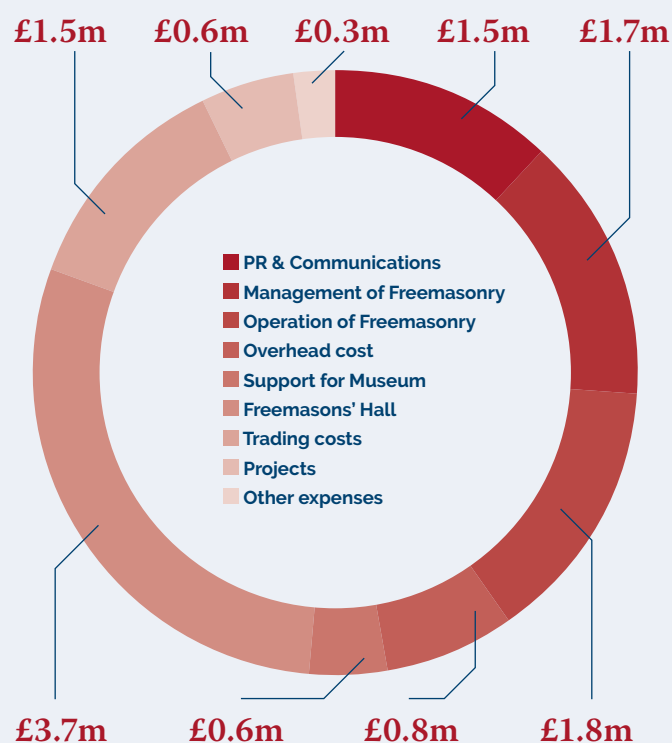


INCOME: FIVE-YEAR HISTORY



* Excluding Coronavirus Job Retention Scheme grant income

OPERATING COSTS†



† Net of Coronavirus Job Retention Scheme grant income