

# Reports & Financial Statements

For the year ended 31 March 2021

## **Royal Commonwealth Ex-Services League**

**Company number:** 10922587

**Charity number:** 1174874

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# Royal Commonwealth Ex-Services League

## Charity information

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<b>Charity registration number:</b>	1174874
<b>Company registration number:</b>	10922587
<b>Principal office:</b>	199 Borough High Street, London SE1 1AA
<b>Patron:</b>	Her Majesty The Queen
<b>Grand President:</b>	General The Lord Richards of Herstmonceux GCB CBE DSO
<b>Deputy Grand President:</b>	Major General GI Mitchell CB MBE (and Trustee)
<b>Trustees:</b>	Mr J M Archer Colonel J M Bowles MBE Major U Cleminson BEM TD Colonel P A Davis CBE Major General C H Elliott CVO CBE Brigadier A W Freemantle CBE DBA Lieutenant Commander M R Hawthorn RN Mr A L Holmes OBE Brigadier J C L King MBE Colonel A J Martin ONZM Colonel M M Slattery RRC Mrs E Strouts Mrs E A Watkins DL Brigadier D A Williams MBE
<b>Honorary Recorder:</b>	Colonel M J Winarick OBE
<b>Honorary Legal Adviser:</b>	Mr T E J Case
<b>Honorary Medical Adviser:</b>	Major General D S Jolliffe CB FRCP
<b>Secretary General:</b>	Lieutenant Colonel C F Warren
<b>Controller Finance:</b>	Major D Thompson
<b>Bankers:</b>	National Westminster Bank plc 65 Piccadilly London W1A 2PP
<b>Independent auditor:</b>	Mazars LLP 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4JQ

# Royal Commonwealth Ex-Services League

## Charity information

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**Investment managers:**

Newton Investment Management Limited  
160 Queen Victoria Street  
London EC4V 4LA

**Solicitors:**

Withers  
16 Old Bailey  
London  
EC4M 7EG

# Royal Commonwealth Ex-Services League

## Trustees' report

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### Introduction from The Honorary Treasurer

This Report and Accounts covers for the first time, a 12-month accounting period, in line with the tax year running from April to the following March. This report will not be directly comparable with that of the previous year as it covers a 12-month period, rather than the 15-month period required last year in order to realign the accounting year from a calendar year to a financial/tax year.

The key driver for the change in accounting period was the impact of the Accountable Grant Arrangement (AGA) that we entered into, in partnership with the Foreign, Commonwealth and Development Office (FCDO), formerly the Department for International Development (DFID). As reported last year, the AGA is game-changing, not only for the increase in value of individual grants to beneficiaries, but also in the way that the League conducts its business.

A little more than a year ago, very few people predicted that the COVID-19 pandemic would either last as long as it has, or, have the devastating impact that it has had on so many lives, or, indeed, have driven such levels of change, both in working practices and in personal lives. These changes have affected the League in the same way as everyone else. International travel has proved impossible and our Member Organisations around the world have had to adapt to the measures imposed by their respective governments. In the UK, the HQ Staff have been working from home, with only occasional, essential visits to the office and all key meetings including the Executive Committee, Finance Sub-Committee and Commonwealth Council & Annual General Meeting have all been held virtually.

The League's income, like that of all charities, has been adversely impacted, with donations lower than budgeted and realistically expected over a comparable 12-month period. Investment performance was also affected, as was the income generated in interest payments in the League's various deposit accounts. At the same time, demand for veterans' support has grown, driven both by greater awareness of the Commonwealth Veterans' Programme and also the effects of the pandemic. The impact of these changes will be covered later in this report.

Despite the challenges posed by the COVID-19 pandemic, the League – through its network of Member Organisations – has successfully continued to support our beneficiaries around the world, providing much needed food grants at time when many veterans and widows have been particularly vulnerable.

### Public Benefit

The Trustees present their report and the financial statements for the period ended 31 March 2021. All charities must have charitable purposes which are for the public benefit. This requirement is reinforced under The Charities Act 2011, which removes the presumption that charities that existed prior to that date to advance education or religion or to relieve poverty are for public benefit. The Royal Commonwealth Ex-Services League (the League) does not promote religion or education but exists to relieve poverty by providing support to eligible Commonwealth Ex-Service men and women and widows if in need.

There are two key principles of public benefit and the relevant ones for the League are that:

Principle 1: There must be an identifiable benefit or benefits which are clear and related to the League's aim.

Principle 2: Benefit must be to the public or to a section of the public.

As a consequence of the law, the Trustees are required to disclose how they provide public benefit during a given accounting period. In the case of this report, it is the year 1 April 2020 – 31 March 2021.

# **Royal Commonwealth Ex-Services League**

## **Trustees' report**

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There is little additional information required of the League by the Charity Commission as the League already meets the requirements of The Charities Act 2011. In some cases, additional information is provided to explain clearly how the League meets Public Benefit guidelines.

The League was incorporated on 18 August 2017; on 1 January 2018 the activities and assets of the unincorporated charity were transferred into this entity. The unincorporated charity was founded in 1921 and, since then, it is estimated that more than one million people have been provided with welfare support in order to relieve poverty. The League is confident that all applicable guidelines for meeting public benefit in 2020/21 have been met.

## **Structure, Governance and Management**

### **Organisational structure**

The League, a Private Company Limited by Guarantee, is governed by its Articles of Association, Objects and Rules approved at a Special Conference in 2017. Executive power is vested in the Grand President, and in the Commonwealth Council, which comprises Members representing the 57 Member Organisations. This Council meets once a year. An Executive Committee is appointed by the Commonwealth Council and a Secretary General and Controller Finance appointed by the Grand President who, together with four other office staff, are responsible for delivering welfare support, the administration of the affairs of the Charity and for advising on the content and procedures of Conference. The procedure for the election of Trustees is laid down in the Charity's Articles of Association and detailed in the Standing Orders for the Executive Committee. The Members of the Executive Committee are the Trustees who are also Directors.

Two Trustees are ex-officio appointments and other Trustees are recruited by experience when knowledge of a particular field – for example, legal, medical or financial – is required.

Once selected, a Trustee will receive a personal briefing from the Secretary General, who will explain the detailed workings of the League and their role within it and they will receive a booklet entitled 'Duties and Responsibilities of a Trustee'. Trustees are kept fully informed of any changes that could impact on them or on the Charity. Each year training and advice is given to all Trustees by Mazars LLP at the Trustees' meeting in April and Trustees are invited to attend training seminars organised by Newton Investment Management and Mazars. The Secretary General and the Controller Finance also attend relevant seminars and advise Trustees as required.

# Royal Commonwealth Ex-Services League

## Trustees' report

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### Membership of Committees and Sub-Committees

#### Members of Standing Committee on Welfare Programmes (SCOWP):

Brigadier J C L King MBE	Chairman
Brigadier A W Freemantle CBE DBA	Australia (Executive Committee Member)
Mr T D Irvine CD	Canada, Dominion President
Mrs E A Watkins DL	Canada (Executive Committee Member)
Major U Cleminson BEM TD	The Royal British Legion, National Chairman
Mr A Baines	The Royal British Legion, Director of Operations
Major General C H Elliott CVO CBE	South Africa (Executive Committee Member)
Lieutenant Commander M R Hawthorn RN	The Legion Scotland, Chairman
Colonel A J Martin ONZM	New Zealand (Executive Committee Member)
Mr J M Archer	RCEL, Honorary Treasurer

#### Members of Finance Sub-Committee:

Mr J M Archer	Chairman
Mr T E J Case	
Mr P J W Henderson	
Mr O R M Marsh	

#### Members of Pensions Committee:

Mr J M Archer	Chairman
Lieutenant Colonel C F Warren	
Major D Thompson	Secretary

### Statement of Trustees' Responsibilities

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 as at the balance sheet date and of its income and expenditure for the financial year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with The Charities Act 2011. 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.

# Royal Commonwealth Ex-Services League

## Trustees' report

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### Relationship with Related Parties and Other Charities

In addition to distributing its own funds, the Charity acts for over 40 UK-based Service and Regimental charities in channelling funds overseas to appropriate beneficiaries. The key Service charities are The Royal Navy and Royal Marines Charity, ABF The Soldiers' Charity, The Royal Air Force Benevolent Fund, The Royal British Legion and The Officers' Association. Any money held on behalf of such organisations is included in restricted funds.

The Charity also holds funds in deposit accounts for five of its Member Organisations. These funds are entirely under the control of these organisations and are held separately from the Charity's own funds. Statements of Account are sent every six months to these Member Organisations. The Charity also holds restricted funds on deposit for The Askari Appeal which it draws down for designated beneficiaries of the appeal when instructed by the Trustees of The Askari Appeal (these are included within restricted funds in note 19).

### Objects and Activities

The Charity operates outside the United Kingdom looking after the welfare of ex-Service men, women and their widows and widowers of Commonwealth countries who have at some time served the British Crown prior to the independence of their own country and who are now living in poverty. Earl Haig founded the Charity in 1921 and its scope greatly increased following the Second World War. Today there are 57 Member Organisations in 48 countries, stretching from the Caribbean, across West, East and South Africa, the Indian sub-continent to South-East Asia, the Pacific and Australasia.

The Charity acts as a link throughout the Commonwealth for many ex-Service organisations and provides financial assistance for ex-Service men, women and their widows and widowers whose difficulties are beyond the means of their local organisations. Financial support is also given to self-help projects that will generate income for local welfare.

The Object is that no eligible ex-Service man or woman shall be without help if in need and the Charity's grant-making policy is formulated accordingly.

### Achievements and Performance

Challenging fundraising targets were set by the Trustees for 2020, in line the League's 5-Year Plan. The donations target was not achieved because, like all charities, the League's income fell this year and we did not have the benefit of either the Poppy Ball donation or a major legacy comparable to the generous one provided from Mrs Zoë Taylor's estate last year. Expenditure on grants was above budget and this was entirely driven by an increase in the number of beneficiaries supported, a significant proportion of which were widows from countries which had not previously supported them. The additional beneficiaries more than offset the natural attrition of our ageing veterans and widows and, as a result, the original actuarial numbers forecast for the remainder of the programme are likely to be exceeded. On this basis, an updated actuarial forecast was commissioned to enable financial modelling to be completed to assess options and mitigate future risk. Ultimately the League has been able to support more beneficiaries with a higher value grant. Other cost lines were tightly controlled and were delivered well under budget.

# Royal Commonwealth Ex-Services League

## Trustees' report

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### Financial Review

During the 12 months to 31 March 2021, the League distributed £4,568,454 on welfare (15-month period ended 31 March 2020: £5,303,690). The net expenditure (before gains/(losses) on investment assets) from the 12-month period's operations was £1,012,943 (15-month period ended 31 March 2020: £120,405). The underlying unrestricted result for the 12-month period ended 31 March 2021 was net expenditure of £381,830 (year ended 31 March 2020: net income of £461,421). At the end of the year total funds amounted to £2,030,469 (2020: £2,899,532).

### Investment Report

The Finance Sub-Committee is responsible for the management of the League's investment portfolio and relies on information provided by Newton Investment Management Limited, the appointed managers. In addition to the normal twice-yearly meetings, the Finance Sub-Committee meet when required, in order to ensure diligent management. The investment objective of the portfolio is to maximise income and capital available for drawdown, in order to provide financial assistance to the beneficiaries of the League. The portfolio is carefully managed in line with the 5-Year Plan drawn up by Newton Investment Management and the Finance Sub-Committee.

This report is for 12 months to 31 March 2021, which therefore covers the period immediately after the market sell-off triggered by COVID-19. The market lows were recorded in the second half of March 2020. The investments comprise a holding in the Newton Growth and Income Fund for Charities (the Fund).

The initial market recovery in the second quarter favoured sectors such as tech that were COVID-19 beneficiaries, whilst those that are more highly correlated to the economy generally lagged. The latter included sectors such as Oil and Gas, Financials, Basic Materials and Consumer Services. During this quarter, the Fund was up 11.3%, slightly ahead of its benchmark of 10.7%. This rally favoured overseas stocks, largely because the UK market is more heavily weighted towards the laggard sectors.

Equity markets generally traded sideways in the third quarter and until November when the reports of the vaccine efficacy started to come out. Markets then had a second rally that continued into the first quarter of 2021; however, this favoured the laggards from the summer period and the UK relative to overseas. Dealing with such market rotation proved difficult; however, some themes that were emphasised in the Fund continued to perform such as semiconductors and the transition to electric cars since the Fund has a sizeable exposure to car batteries.

Gilts had performed very well in the first quarter of 2020, as a safe haven from the turmoil in equity markets. However, they sold off for the year under review as the resilience of the economy became clear. Thirty-year gilt yields, which had fallen to 0.5% in March 2020, rose to 1.4% by the end of March 2021, with a resultant fall in capital values.

The Fund return over the twelve months was +24.3% against its benchmark of 21.8%. Over the period, the main market returns in GBP terms were: FTSE All-Share Index +26.7%; FTSE World ex-UK Index +40.84%; and FTA Government All-Stocks Gilts Index -5.5%. (The composite benchmark of the Fund is 50% FTSE All-Share Index, 25% FTSE World ex-UK Index, 20% FTA Government All-Stocks Gilts Index and 5% 7-Day GBP LIBID.)

The income received by the Fund was affected by the cancellation or postponement of dividends, some of which were driven by corporates conserving cash, and some by the regulators. This was biased towards those sectors that are heavily represented in the UK market, such as Financials and Oils and Gas. This was



# Royal Commonwealth Ex-Services League

## Trustees' report

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exacerbated by GBP showing strength against the US\$ because a number of UK stocks, such as the Pharmaceuticals declare a US\$ dividend. However, this trend is now starting to reverse. Dividend income in 2020 fell by 25%, although we expect an increase of some 15% in 2021.

The outlook remains dominated by COVID-19; however, the data indicates that where conditions allow, the recovery could well be very strong, with cash balances in working households building up to unprecedented levels while corporate investment has been deferred. US GDP is now back to only 1% below pre-COVID-19 levels, with the US economy also benefitting from government handouts to households. Concerns about inflation will possibly resurface periodically during the next phase of the recovery; however, high unemployment rates and other global deflationary forces are expected to hold inflation in check. A focus on individual stocks should help the Fund through this uncertain period.

## Risk Assessment

Head Office RCEL maintains a comprehensive Risk Management Register. Eighteen risks are considered and reviewed on a quarterly basis in line with the Accountable Grant Arrangement (AGA) for the FCDO (UK Aid) Programme. Mitigating action is taken as required. These risks have also been applied to Member Organisations overseas and have proved satisfactory. The key risks identified are:

- The concern that all military charities will be affected by reduced income over the next 10 years and the reliance on the major military charities to maintain their level of support is not guaranteed. The impact on fundraising generated by the global Covid pandemic is a cause of concern. With a reduction to military service charities income there has been an increase in demand for services. There has been a knock-on effect across the military charity sector with all grants being categorised into either must, should or could award. To overcome this risk the League is to strengthen relationships and continue to raise awareness of the plight of some of the poorest and most vulnerable veterans and widows across the world.
- Interruption to Business Continuity caused by external events including pandemic, natural disaster, terrorist activity or major system failure. This has been thoroughly tested over the last year with the office staff working remotely and through increased communication with Member Organisations to establish the ongoing situation across the globe and the impact of the Covid pandemic in each country.
- That the significant reduction in the size of the British Armed Forces and the cessation of combat operations in Iraq and Afghanistan will reduce public awareness. However, the League's short-term financial concerns have been mitigated by the £11.8 million FCDO/UK Aid award for the period 2019-2024.
- Increased risk of fund diversion given the significant increase in value of grants disbursed. The governance of the HQ team has been strengthened through both the recruitment of an additional post to allow separation of key financial duties and the production of a finance manual outlining key policies, processes & procedures. Oversight on Member Organisations has increased through an annual due diligence process, the introduction of Quarterly financial reporting and an increased frequency of visits.
- That HQ staff continuity is disrupted due to retirement or resignations. Additional posts have been recruited to manage the contractual requirements of the FCDO programme which has developed a broader knowledge base across the whole HQ team.

# Royal Commonwealth Ex-Services League

## Trustees' report

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- Safeguarding issues given the vulnerability of our beneficiaries combined with an increase in the value of their grants. The Safeguarding policy has been updated and distributed to all Member Organisations. 2 planned Regional training seminars, in Jamaica and Sri Lanka, had to be postponed due to the pandemic. A new online training platform has been developed and 3 training modules were rolled out to the Member Organisations. These were Safeguarding Essentials, IT & Data Security and Fraud Awareness.

## Reserves Policy

It is planned to expend the majority of the League's reserves over the next 5 years, during which time the number of potential beneficiaries is expected to reduce substantially. In effect, the Charity has no reserves since the existing assets will be consumed on a routine, planned basis over the next five years, in line with the FCDO award. The 5-Year Plan is reviewed regularly. Adjustments may have to be made if there is a significant reduction in welfare support from the major military charities.

## Grant Making Policy

The Charity's grants are directly related to the total amount that it can give away each year, as dictated by the drawdown of reserves and the success of Head Office fundraising. Within this restriction the Charity aims to provide as many eligible beneficiaries as possible with the equivalent of a meal a day. The FCDO award will allow The League to increase this support to the equivalent of two meals a day.

## Key Management Personnel

The key management personnel are considered to be the Secretary General, the Controller Finance and the Controller Welfare. The Trustees review the salaries for these staff annually, making a pay award based on market salaries.

## Plans for Future Periods

The majority of RCEL countries did qualify for the FCDO award with funding confirmed in time for 2021 SCOWP. For those countries that do not qualify, RCEL will endeavor to ensure that similar support will be delivered to them from grants from the RCEL portfolio of funds, fundraising and of the major Service Charities generous donations. With the use of public funds, there remains a comprehensive reporting requirement which will fall to RCEL and the Member Organisations to deliver. Some countries are considered to be a greater risk and a significant amount of work by RCEL HQ and Member Organisations has been undertaken in order to reduce risk to an acceptable level. The introduction of Quarterly reporting by Member Organisations coupled to annual Due Diligence has increased oversight and provided more timely and accurate information. In addition, Honorary Representatives have taken an active role supporting Member Organisations on the ground and assisting with light touch oversight.

The Royal British Legion has generously agreed to continue its support for Commonwealth veterans and their widows for another 2 years to the end of 2022. The League is extremely grateful for this enhanced support, which doubles the annual unrestricted grant from 2018 and allows RCEL Head Office to remain in Haig House, with full Information Management and Technology (IM&T) and administrative support.

Agency work comprises a significant proportion of the Charity's workload and this will continue. There is a decrease from 897 in 2019/20 to 703 in 2020/2021, administered by Controller Welfare and Grants. Most of

# Royal Commonwealth Ex-Services League

## Trustees' report

this decrease can be attributed to the difference between a 12-month versus 15-month reporting period. The value of grants disbursed has largely increased and Controller Welfare and Grants spends some 30% of his time in direct support of the 40 or so military charities who have less global reach than the League.

Work is now underway to consider the longer-term future of the League beyond the FCDO Programme which is due to finish in March 2024. This project will consider both future sources of funding and the future role of the League supporting both declining numbers of pre-independence veterans & widows and contemporary veterans around the commonwealth.

## Related parties

One of the Trustees is also a trustee of another organisation with which the League has dealings. This is detailed in note 21 to these financial statements.

## Auditors

The Trustees have confirmed that so far as they are aware, there is no relevant audit information of which the League's auditors are unaware, and that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the League's auditors are aware of that information.

Mazars LLP have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming Executive Committee Meeting.

This report has been prepared in accordance with the special provisions of The Companies Act 2006 relating to small entities.

Approved by the Trustees on 8th July 2021 and signed on their behalf by



Major U Cleminson BEM TD  
Trustee



Mr J M Archer  
Trustee

# **Independent auditor's report to the Trustees of Royal Commonwealth Ex-Services League**

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## **Opinion**

We have audited the financial statements of Royal Commonwealth Ex-Services League (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, 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 FRS 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 March 2021 and of its 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 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

# **Independent auditor's report to the Trustees of Royal Commonwealth Ex-Services League**

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## **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 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 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 light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in 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 and proper 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 set out on page 5, 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 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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Charities Statement of Recommended Practice, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements.

# Independent auditor's report to the Trustees of Royal Commonwealth Ex-Services League

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## Auditor's responsibilities for the audit of the financial statements (continued)

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of the audit report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



**Richard Bott (Senior Statutory Auditor)**

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton SM1 4JQ

Date: 29 July 2021

# Royal Commonwealth Ex-Services League

## Statement of financial activities For the year ended 31 March 2021

	Notes	Unrestricted funds	Designated funds	Restricted funds	Total funds 12 months to 31 Mar 2021	Total funds 15 months to 31 Mar 2020 (note 2)
		£	£	£	£	£
<b>Income</b>						
<b>Donations and legacies</b>						
Donations, grants and appeals	3	648,651	10,000	785,547	1,444,198	1,898,111
FCDO grant	7	-	-	2,092,184	2,092,184	2,979,040
Legacies		-	-	-	-	262,374
<b>Income from investments</b>	4	19,044	22	63	19,129	43,760
<b>Total income</b>		667,695	10,022	2,877,794	3,555,511	5,183,285
<b>Expenditure</b>						
<b>Expenditure on raising funds</b>						
Fundraising costs	5	45,782	-	-	45,782	54,852
Poppy supplies and freight charges		37,013	-	-	37,013	42,935
		82,795	-	-	82,795	97,787
<b>Expenditure on charitable activities</b>						
RCEL welfare grants	6	1,110,610	99	791,454	1,902,163	2,724,937
FCDO grant	7	-	-	2,583,496	2,583,496	2,480,966
<b>Total expenditure</b>		1,193,405	99	3,374,950	4,568,454	5,303,690
<b>Net (expenditure)/income before investment gains/(losses)</b>		(525,710)	9,923	(497,156)	(1,012,943)	(120,405)
<b>Gains/(losses) on investments</b>		143,880	-	-	143,880	(13,915)
<b>Net (expenditure)/income before transfers</b>		(381,830)	9,923	(497,156)	(869,063)	(134,320)
<b>Transfers between funds</b>		(30,000)	30,000	-	-	-
<b>Net movement in funds</b>		(411,830)	39,923	(497,156)	(869,063)	(134,320)
Total funds brought forward		2,176,291	79,545	643,696	2,899,532	3,033,852
<b>Total funds carried forward</b>	16,17,18,19	1,764,461	119,468	146,540	2,030,469	2,899,532

There are no recognised gains or losses other than those included above.  
All amounts relate to continuing activities.

# Royal Commonwealth Ex-Services League

## Balance sheet as at 31 March 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	-	-
Investments	13	1,660,943	1,748,388
		<u>1,660,943</u>	<u>1,748,388</u>
<b>Current assets</b>			
Debtors	14	38,818	42,331
Cash at bank and in hand		409,351	1,163,102
		<u>448,169</u>	<u>1,205,433</u>
<b>Creditors: amounts falling due within one year</b>	15	(78,643)	(54,289)
		<u>369,526</u>	<u>1,151,144</u>
<b>Net current assets</b>			
		<u>369,526</u>	<u>1,151,144</u>
<b>Net assets</b>	19	<u>2,030,469</u>	<u>2,899,532</u>
<b>Represented by:</b>			
Unrestricted funds	16	1,764,461	2,176,291
Designated funds	17	119,468	79,545
Restricted funds	18	146,540	643,696
		<u>2,030,469</u>	<u>2,899,532</u>

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities.

Approved by the Trustees on 8<sup>th</sup> July 2021 and signed on their behalf by

Major U Cleminson BEM TD  
Trustee



Mr J M Archer  
Trustee





# Royal Commonwealth Ex-Services League

## Statement of Cash Flows for the year ended 31 March 2021

	12 months to 31 Mar 2021 £	15 months to 31 Mar 2020 £	
<b>Cash flows from operating activities</b>			
<b>Net (expenditure)</b>	<b>(869,063)</b>	<b>(134,320)</b>	
Adjustments for:			
Amortisation	-	112	
(Gain)/loss on investments	(143,880)	13,915	
Interest income	(19,129)	(43,761)	
Trade and other debtors	3,513	(8,206)	
Trade and other creditors	24,354	33,252	
<b>Cash flows (used in) operating activities</b>	<b>(1,004,205)</b>	<b>(139,008)</b>	
<b>Cash flows generated in investing activities</b>			
Purchase of investments*	(18,675)	(49,145)	
Proceeds on disposal of investments*	250,000	1,000,000	
Interest received	19,129	43,761	
<b>Cash flows generated from investing activities</b>	<b>250,454</b>	<b>994,616</b>	
<b>Net (decrease)/increase in cash</b>	<b>(753,751)</b>	<b>855,608</b>	
	<b>At 1 Apr 2020</b>	<b>Movement in cash</b>	<b>At 31 Mar 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank	1,163,102	(753,751)	409,351

\* Purchases of investments and proceeds on disposals of investments include transitions made by the investment managers in order to change the equities held by the portfolio as well as additions to or withdrawals from the portfolio.

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

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 (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)).

The Finance Sub-Committee has reviewed detailed cash flow projections to 1 October 2022 and have agreed detailed budgets for the year ended 31 March 2022. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the charity is to provide grants to veterans and widows in need, the level of this necessary expenditure is at the discretion of the Trustees and can be adjusted during the year. The Trustees have also considered the charity's working capital and capital expenditure requirements. Finally, Trustees have considered the impact of Covid-19 both operationally and financially. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Royal Commonwealth Ex-Services League meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### **1.2 Income**

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

#### **1.3 Expenditure**

All expenditure is included on an accruals basis. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions.

Support costs are allocated between activities based on the use of resources.

#### **1.4 Grant expenditure**

Grants are included when the Charity is committed to making the payment and the recipient has been notified of the grant.

#### **1.5 Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Designated funds comprise unrestricted funds and have been set aside by the Trustees for particular purposes.

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

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### **1 Accounting policies (continued)**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors.

#### **1.6 Depreciation**

Depreciation of fixed assets is provided so as to write off their costs over their estimated useful lives and is calculated at the following rates:-

Office equipment – 20-25% per annum on a straight line basis  
Computer equipment – 33% per annum on a straight line basis

#### **1.7 Amortisation**

Website and software costs are capitalised as intangible fixed assets and amortisation is provided so as to write off their costs over their estimated useful lives and is calculated at the following rate:

Website – 20% per annum on a straight line basis

#### **1.8 Investments**

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals during the period.

#### **1.9 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.

#### **1.10 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.

#### **1.11 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.

#### **1.12 Foreign currency translation**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

### 2 Comparative Statement of Financial Activities – 15 month period ended 31 March 2020

	Unrestricted funds	Designated funds	Restricted funds	Total funds 2020
	£	£	£	£
<b>Income</b>				
<b>Donations and legacies</b>				
Donations, grants and appeals	908,296	-	989,815	1,898,111
FCDO grant	-	-	2,979,040	2,979,040
Legacies	261,874	-	500	262,374
<b>Income from investments</b>	43,036	116	608	43,760
<b>Total income</b>	1,213,206	116	2,969,963	5,183,285
<b>Expenditure</b>				
<b>Expenditure on raising funds</b>				
Fundraising costs	54,852	-	-	54,852
Poppy supplies and freight charges	42,935	-	-	42,935
	97,787	-	-	97,787
<b>Expenditure on charitable activities</b>				
FCDO grant	-	-	2,480,966	2,480,966
Welfare	640,083	1,029,249	1,055,605	2,724,937
<b>Total expenditure</b>	737,870	1,029,249	3,536,571	5,303,690
<b>Net (expenditure)/income before investment gains</b>	475,336	(1,029,133)	433,392	(120,405)
<b>(Losses) on investment assets</b>	(13,915)	-	-	(13,915)
<b>Net (expenditure)/income before transfers</b>	461,421	(1,029,133)	433,392	(134,320)
<b>Transfers between funds</b>	(14,798)	30,000	(15,202)	-
<b>Net movement in funds</b>	446,623	(999,133)	418,190	(134,320)
<b>Total funds brought forward</b>	1,729,668	1,078,678	225,506	3,033,852
<b>Total funds carried forward</b>	2,176,291	79,545	643,696	2,899,532

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

### 3 Donations, Grants and Appeals

	Unrestricted funds	Designated funds	Restricted funds	12 months to 31 Mar 2021 Total funds
	£	£	£	£
Affiliation fees	400	-	-	400
Donations from Member Organisations	242,652	10,000	-	252,652
Donations in kind from Member Organisation (see note a)	72,928	-	-	72,928
Contributions from external funds to administration (see note b)	55,473	-	-	55,473
Other donations	277,198	-	785,547	1,062,745
	<u>648,651</u>	<u>10,000</u>	<u>785,547</u>	<u>1,444,198</u>
	Unrestricted funds	Designated funds	Restricted funds	15 months to 31 Mar 2020 Total funds
	£	£	£	£
Affiliation fees	400	-	-	400
Donations from Member Organisations	242,574	-	-	242,574
Donations in kind from Member Organisation (see note a)	95,600	-	-	95,600
Contributions from external funds to administration (see note b)	56,624	-	-	56,624
Other donations	513,098	-	989,815	1,502,913
	<u>908,296</u>	<u>-</u>	<u>989,815</u>	<u>1,898,111</u>

a. The donations in kind from The Royal British Legion were made up as follows:-

	12 months to 31 Mar 2021	15 months to 31 Mar 2020
	£	£
Donation of lapel poppies	30,198	37,278
Free office accommodation and services	42,730	58,322
	<u>72,928</u>	<u>95,600</u>

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

### 3 Donations, Grants and Appeals (continued)

b. The following charities have made donations to contribute to the League's administration costs:-

	12 months to 31 Mar 2021	15 months to 31 Mar 2020
	£	£
Royal Air Force Benevolent Fund	15,473	11,624
ABF The Soldiers' Charity	20,000	25,000
The Officers' Association	20,000	20,000
	<u>55,473</u>	<u>56,624</u>

### 4 Income from investments

	Unrestricted funds	Designated funds	Restricted funds	12 months to 31 Mar 2021 Total funds
	£	£	£	£
Dividend income	14,771	-	-	14,771
Interest on fixed deposit	3,676	-	-	3,676
Other bank deposit interest	597	22	63	682
	<u>19,044</u>	<u>22</u>	<u>63</u>	<u>19,129</u>

  

	Unrestricted funds	Designated funds	Restricted funds	15 months to 31 Mar 2020 Total funds
	£	£	£	£
Dividend income	30,373	-	-	30,373
Interest on fixed deposit	9,354	-	-	9,354
Other bank deposit interest	3,309	116	608	4,033
	<u>43,036</u>	<u>116</u>	<u>608</u>	<u>43,760</u>

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

### 5 Fundraising costs

	12 months to 31 Mar 2021	15 months to 31 Mar 2020
	£	£
Direct fundraising costs	5,703	2,532
Support costs (see note 8)	40,079	52,320
	<u>45,782</u>	<u>54,852</u>
All amounts relate to unrestricted funds in both periods.		

### 6 RCEL welfare grants

	Unrestricted funds	Designated funds	Restricted funds	12 months to 31 Mar 2021 Total funds
	£	£	£	£
Funds administered and disbursed on behalf of other charities	-	-	718,759	718,759
Grants to Member Organisations	988,674	-	72,551	1,061,225
Project grants	14,467	-	-	14,467
Welfare tour costs	(2,559)	-	-	(2,559)
Support costs (see note 8)	110,027	99	145	110,271
	<u>1,110,609</u>	<u>99</u>	<u>791,455</u>	<u>1,902,163</u>

	Unrestricted funds	Designated funds	Restricted funds	15 months to 31 Mar 2020 Total funds
	£	£	£	£
Funds administered and disbursed on behalf of other charities	-	-	925,617	925,617
Grants to Member Organisations	286,035	1,000,000	124,568	1,410,603
Project grants	11,775	-	-	11,775
Welfare tour costs	35,158	-	-	35,158
Support costs (see note 8)	307,115	29,249	5,420	341,784
	<u>640,083</u>	<u>1,029,249</u>	<u>1,055,605</u>	<u>2,724,937</u>

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

### 6 Welfare (continued)

The number of individual cases assisted during the period was as follows:-

	2021 Number	2020 Number
From the Charity's own funds	5,231	7,305
Funds administered and disbursed on behalf of other charities (Agency work)	703	897
	<u>5,934</u>	<u>8,202</u>

The above totals reflect the number of cases which received direct payment from the Charity as distinct from bulk grants to Member Organisations for local benevolence work. It should be noted that due to the Government of India Foreign Contribution Regulation Act (FCRA) 2010 and 2020, RCEL has been unable to send further funds to 1,222 Indian beneficiaries. In addition, due to issues with governance, grants could not be sent to 222 veterans in Tanzania this year hence the significant fall in cases assisted. Funding for both India and Tanzania could not therefore be claimed from FCDO, however the number of beneficiaries in some other countries has increased driven by the addition of widows and increased awareness of the programme.

Further details of grants to Member Organisations and Project grants can be obtained from the Charity's Annual Report and copies of this publication can be obtained from Lt Col CF Warren (Secretary General), Royal Commonwealth Ex-Services League, 199 Borough High Street, London, SE1 1AA.

### 7 FCDO

	Unrestricted funds	Designated funds	Restricted funds	12 months to 31 Mar 2021 Total funds	15 months to 31 Mar 2020 Total funds
	£	£	£	£	£
<b>Income</b>					
FCDO income - welfare	-	-	1,919,237	1,919,237	2,420,547
FCDO income - operational	-	-	172,947	172,947	558,493
	<u>-</u>	<u>-</u>	<u>2,092,184</u>	<u>2,092,184</u>	<u>2,979,040</u>
<b>Expenditure</b>					
FCDO welfare grants	-	-	2,159,989	2,159,989	2,008,113
FCDO other costs	-	-	423,507	423,507	472,853
	<u>-</u>	<u>-</u>	<u>2,583,496</u>	<u>2,583,496</u>	<u>2,480,966</u>



# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

### 8 Allocation of support costs

	Welfare	CDO other costs	Fundraising	12 months to 31 Mar 2021 Total funds	15 months to 31 Mar 2020 Total funds
	£	£	£	£	£
Staff costs (see note 9)	76,927	357,177	21,284	455,388	547,973
Conferences & meetings	2,981	2,266	406	5,653	49,442
Office accommodation & services	3,651	31,865	8,853	44,369	76,753
Travel & subsistence costs	1,427	(708)	75	794	74,334
Safeguarding	-	(5,328)	-	(5,328)	38,970
Delivery expenses	-	3,880	-	3,880	19,042
Other costs	6,076	14,075	-	20,151	17,981
Legal costs	4,842	9,050	2,385	16,277	-
Auditor's remuneration					
- Audit	6,359	-	3,132	9,491	10,650
- Other services	4,725	11,230	2,327	18,282	27,149
Annual report	3,283	-	1,617	4,900	4,663
<b>Total (see notes 5 and 6)</b>	<b>110,271</b>	<b>423,507</b>	<b>40,079</b>	<b>573,857</b>	<b>866,957</b>

Governance costs comprise audit and accountancy fees and the cost of preparing the annual report; these total £32,673 (2020: £42,462). Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

### 9 Staff costs

	12 months to 31 Mar 2021 Total funds	15 months to 31 Mar 2020 Total funds
	£	£
Wages and salaries	326,333	365,900
Social security costs	32,548	39,056
Pension costs (see note 11)	30,667	43,189
Staff insurance and health care	12,804	13,932
Overseas project officers (contract staff)	53,036	85,896
<b>Staff costs</b>	<b>455,388</b>	<b>547,973</b>

The number of employees throughout the period was 11 (15 month period ended 31 March 2020: 10)

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

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### 9 Staff costs (continued)

Staff costs overall have decreased reflecting a 12 month versus 15 month comparison. Costs per month have increased slightly year over year due to the addition of one FCDO-funded post, a full year as opposed to partial year, of all FCDO-funded posts and a handover period between key staff due to retirement.

One employee received emoluments of between £70,000 and £79,999 per annum in both years.

Key management personnel are the Secretary General, the Controller Finance and the Controller Welfare. The total employee benefits of the key management personnel of the Charity for the year ended 31 March 2021 were £216,035 (15 month period ended 31 March 2020: £240,590).

### 10 Trustees

No Trustees received any emoluments during either period.

During the period 2 (15 month period ended 31 March 2020: 11) of the Trustees were reimbursed for travel expenses, totalling £220 (15 month period ended 31 March 2020: £3,229). The decrease reflects the impact of the Covid pandemic which has necessitated holding virtual rather than face-to-face meetings.

### 11 Pension costs

The 7 members of staff based in the UK benefit from a non-contributory fixed percentage (of salary) pension scheme. During the year the Charity paid contributions of £30,667 (15 month period ended 31 March 2020: £43,189).

### 12 Intangible fixed assets

	Website £
<b>Cost</b>	
Balance at 1 April 2020 and 31 March 2021	2,063
	<hr/>
<b>Depreciation</b>	
Balance at 1 April 2020 and 31 March 2021	2,063
	<hr/>
<b>Net book value</b>	
At 31 March 2021	<hr/> <hr/>
At 31 March 2020	<hr/> <hr/>

# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

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### 13 Investments

	2021	2020
	£	£
At 1 January	1,748,388	2,713,159
Additions	18,675	49,144
Disposals	(250,000)	(1,000,000)
Realised and unrealised (losses) on portfolio	43,880	(13,915)
Movement in cash	-	-
	<hr/>	<hr/>
Market value at 31 March	1,660,943	1,748,388
	<hr/>	<hr/>
Historical cost	824,334	1,074,334
	<hr/>	<hr/>

The portfolio did not include any individual shareholdings in excess of 5% of the total.

### 14 Debtors

	2021	2020
	£	£
Accrued interest	1,006	1,495
Prepayments	37,812	38,046
Other debtors	-	2,790
	<hr/>	<hr/>
	38,818	42,331
	<hr/>	<hr/>



# Royal Commonwealth Ex-Services League

## Notes to the financial statements For the 15-month period ended 31 March 2021

### 15 Creditors: amounts falling due within one year

	2021	2020
	£	£
Taxation and social security	10,944	11,184
Accruals	48,327	25,475
Deferred income	15,000	15,000
Other creditors	4,372	2,630
	<u>78,643</u>	<u>54,289</u>

### 16 Unrestricted funds

	At 1 April 2020	Income	Expenditure	Gains on investments	Transfer between funds	At 31 Mar 2021
	£	£	£	£	£	£
Accumulated fund	<u>2,176,291</u>	<u>667,695</u>	<u>(1,193,405)</u>	<u>143,880</u>	<u>(30,000)</u>	<u>1,764,461</u>
	<u>At 1 Jan 2019</u>	<u>Income</u>	<u>Expenditure</u>	<u>(Losses) on investments</u>	<u>Transfer between funds</u>	<u>At 31 Mar 2020</u>
	£	£	£	£	£	£
Accumulated fund	<u>1,729,668</u>	<u>1,213,206</u>	<u>(737,870)</u>	<u>(13,915)</u>	<u>(14,798)</u>	<u>2,176,291</u>

## Royal Commonwealth Ex-Services League

### Notes to the financial statements For the 15-month period ended 31 March 2021

17	Designated funds	At 1 Apr 2020	Income	Expenditure	Transfer between funds	At 31 Mar 2021
		£	£	£	£	£
	Conference Fund	59,036	10,000	(99)	30,000	98,937
	Staff Contingency Fund	20,509	22	-	-	20,531
	Total	79,545	10,022	(99)	30,000	119,468
		At 1 Jan 2019	Income	Expenditure	Transfer between funds	At 31 Mar 2020
	LIBOR Fund	1,000,000	-	(1,000,000)	-	-
	Conference Fund	58,285	-	(29,249)	30,000	59,036
	Staff Contingency Fund	20,393	116	-	-	20,509
	Total	1,078,678	116	(1,029,249)	30,000	79,545

LIBOR award – During 2015 a donation of £5 million was received from the proceeds of the LIBOR fines. The Trustees decided to set aside £4 million of this balance to fund additional welfare support of £1m for the following years 2016, 2017, 2018 and 2019.

Conference fund – With effect from 2008 RCEL hosts the Commonwealth Conference every 4 years in line with the Constitution. Many of the Member Organisations do not have the resources to attend the Conference and provision has been made to allow all countries to attend. The next Conference in 2022 will be held in London requiring funds to be set aside between Conferences to fund the event. In 2020/21 £30,000 was transferred to this fund.

Staff contingency fund – This fund is held in order to safeguard the League for unexpected staff costs.

# Royal Commonwealth Ex-Services League

## Notes to the financial statements

### For the 15-month period ended 31 March 2021

#### 18 Restricted funds

	At 1 Apr 2020	Income	Expenditure	Transfers	At 31 Mar 2021
	£	£	£	£	£
FCDO	498,074	2,092,184	(2,583,496)	-	6,762
The Askari Appeal	53,304	211	(72)	-	53,443
Prince Philip Lodge Fund	163	-	-	-	163
Auchinleck Appeal	21,469	218	(72)	-	21,615
Legacy: Indian Army Association	31,031	-	-	-	31,031
TRBL Women's Section	17,500	10,000	(10,000)	-	17,500
Blind Veterans UK	-	19,690	(19,690)	-	-
Queen Mary's Roehampton Trust	-	15,000	(15,000)	-	-
African Veterans	-	10,000	(5,688)	-	4,312
M St J Way Charitable Trust	-	4,000	(4,000)	-	-
Funds administered on behalf of other charities (agency work)	13,155	717,318	(718,759)	-	11,714
Other restricted grants	9,000	9,173	(18,173)	-	-
	<u>643,696</u>	<u>2,877,794</u>	<u>(3,374,950)</u>	<u>-</u>	<u>146,540</u>

	At 1 Jan 2019	Income	Expenditure	Transfers	At 31 Mar 2020
	£	£	£	£	£
FCDO	-	2,979,040	(2,480,966)	-	498,074
The Askari Appeal	71,396	3,540	(6,430)	(15,202)	53,304
Prince Philip Lodge Fund	163	-	-	-	163
Auchinleck Appeal	21,239	320	(90)	-	21,469
Legacy: Indian Army Association	31,031	-	-	-	31,031
Gurkha Welfare Trust	12,830	-	(12,830)	-	-
TRBL Women's Section	30,000	-	(12,500)	-	17,500
Blind Veterans UK	-	25,200	(25,200)	-	-
Queen Mary's Roehampton Trust	-	20,000	(20,000)	-	-
Royal Navy Royal Marines Charity	22,938	30,000	(52,938)	-	-
Funds administered on behalf of other charities (agency work)	26,909	911,863	(925,617)	-	13,155
Other restricted grants	9,000	-	-	-	9,000
	<u>225,506</u>	<u>3,969,963</u>	<u>(3,536,571)</u>	<u>(15,202)</u>	<u>643,696</u>

# Royal Commonwealth Ex-Services League

## Notes to the financial statements

### For the 15-month period ended 31 March 2021

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#### 18 Restricted funds (continued)

The transfers to/from restricted funds reflect income initially recorded as being unrestricted and reclassified as being restricted on further review and similarly restricted expenditure on 'Other restricted grants' previously recorded within unrestricted expenditure.

In January 2019, the League signed a contract with the Department for International Development (DFID) which has since been merged with the Foreign and Commonwealth Office (FCO) to form the Foreign, Commonwealth and Development Office (FCDO) to deliver £11.7 million of UK Aid to Commonwealth Veterans over a 5-year period.

The Askari Appeal is for welfare for veterans of The King's African Rifles and other East African armed forces veterans who served the Crown.

The Prince Philip Lodge Fund is for the provision of temporary accommodation in Kent for Commonwealth ex-servicemen visiting/returning to the UK.

The Auchinleck Appeal is for individual welfare for veterans of the British Indian Army, Navy and Air Force who served the Crown.

Indian Army Association – £80,000 was distributed in 2014 but no further distributions were made in either period. These funds will be spent on beneficiaries as and when the need arises.

Gurkha Welfare Trust – The Trust has asked RCEL to distribute welfare payments to their eligible veterans and widows living in Burma. All reside in the Maymyo area. The grant is to cover the 3-year period of 2017-2019.

Burma Star Association - Many of those supported by RCEL are holders of the Burma Star medal. On an annual basis, The Burma Star Association considers awarding a grant to RCEL to support those who are Burma Star holders around the world but who they are unable to reach.

TRBL Women's Section - A restricted grant has been awarded to widows in India and Lesotho. Historically this has been £10,000 each year. In 2016 RCEL received an additional grant of £50,000 for the following 5 years of 2017–2021 at a rate of £10,000 per year.

Blind Veterans UK – A restricted grant is awarded to their beneficiaries across our Member Organisations. All of the annual grant is expended each year.

The Queen Mary's Roehampton Trust fund represents funds to support disabled veterans.

The African veterans fund represents funds raised by one of our veterans in Ghana, Joseph Hammond, to support veterans in Ghana and other countries in West Africa.

M St J Way Charitable Trust fund represents funds to support veterans in Lebanon.

The RAF Benevolent Fund represents funds to support RAF veterans.

The Royal Navy Royal Marines Charity fund- represents funds to support Navy and Marine veterans.

Funds administered on behalf of other charities – This is a significant area of work undertaken by RCEL. RCEL supports over 40 military charities that do not have the global reach to support their veterans across the world. Through the network of RCEL Member Organisations welfare cases are reported, investigated and beneficiaries supported in whichever country in the world they are living. There is likely to be a discrepancy between the incoming and outgoing resources due to annual reporting (some funds are received before the period end but not paid out until the following period), beneficiaries either passing away or no longer being eligible (so that money has to be refunded to the donor charity) or money held until good governance is completed in country.



# Royal Commonwealth Ex-Services League

## Notes to the financial statements

For the 15-month period ended 31 March 2021

### 19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2021 £
Investments	1,660,943	-	-	1,660,943
Current Assets	182,161	119,468	146,540	448,169
Current liabilities	(78,643)	-	-	(78,643)
	<u>1,764,461</u>	<u>119,468</u>	<u>146,540</u>	<u>2,030,469</u>
	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2020 £
Investments	1,748,388	-	-	1,748,388
Current assets	482,192	79,545	643,696	1,205,433
Current liabilities	(54,289)	-	-	(54,289)
	<u>2,176,291</u>	<u>79,545</u>	<u>643,696</u>	<u>2,899,532</u>

### 20 Funds held on behalf of Member Organisations

At 31 March 2021 the League held bank balances on behalf of 5 Member Organisations totalling £96,934 (31 March 2020: £98,718). The League has no control of these funds which it administers on behalf of the organisations concerned and therefore these funds have not been incorporated into these financial statements.

### 21 Related parties

Donations have been received from these related parties during the period:

	12 months to 31 Mar 2021 Total funds £	15 months to 31 Mar 2020 Total funds £
The Royal British Legion annual donation	240,000	240,000
The Royal British Legion (see note 3a)	72,928	95,600
The Royal British Legion (women's section)	10,000	-
The Royal British Legion (conference)	10,000	-
The Burma Star Association	-	10,000
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# Royal Commonwealth Ex-Services League

## Notes to the financial statements

For the 15-month period ended 31 March 2021

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### 21 Related parties (continued)

TRBL - The Royal British Legion (TRBL) are one of the Founder Members of The League. Every beneficiary of a RCEL grant or beneficiary of Agency work undertaken by The League is eligible for support from TRBL. TRBL's prime focus are those eligible beneficiaries who reside in the UK and The League supports those who reside in Commonwealth Countries and other countries where eligible beneficiaries have chosen to live. In return for the support provided overseas by RCEL, TRBL as a Founder Member and through historical precedent and agreement provides office accommodation, services and an annual grant of £240,000 for welfare support to Commonwealth Veterans and their widows.

The Chairman of TRBL is a Trustee of RCEL. The individual Trustee concerned changes as the Chairman of TRBL changes. The Chairman of TRBL is also a Trustee of The Officers' Association (OA). RCEL undertakes restricted Agency work on behalf of the OA for specific beneficiaries overseas and recovers the cost of this work.

### 22 Post balance sheet event

On 21 April 2021, the UK Government announced that funding for the Commonwealth Veterans Programme had been protected during the FCDO business planning process which encompassed a significant reduction in overall Official Development Assistance (ODA) spend. Furthermore, because of the increase in beneficiary numbers on the programme, and the requirement to reduce the size of individual grants to meet the programme budget, an additional £219,544 was provided by FCDO to enable grants to be maintained at the same level. At this stage it is not clear if these funds will be additional to the original budget of £11.7M or offset against years 4 and 5 of the programme.