

Reports & Financial Statements

For the year ended 31 March 2022

The Royal Commonwealth Ex-Services League

Company number: 10922587

Charity number: 1174874

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The Royal Commonwealth Ex-Services League

Trustees' report

Charity registration number:	1174874
Company registration number:	10922587
Principal office:	199 Borough High Street, London SE1 1AA
Patron:	Her Majesty The Queen
Grand President:	General The Lord Richards of Herstmonceux GCB CBE DSO
Deputy Grand President:	Major General GI Mitchell CB MBE (and Trustee)
Trustees:	Mr J M Archer Colonel J M Bowles MBE Major U Cleminson CBE BEM TD (to 15/05/22) Mr J Coward (from 15/05/22) Colonel P A Davis CBE Major General C H Elliott CVO CBE Brigadier A W Freemantle CBE DBA Lieutenant Commander M R Hawthorn MBE 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
Honorary Recorder:	Colonel M J Winarick OBE
Honorary Legal Adviser:	Mr T E J Case
Honorary Medical Adviser:	Major General D S Jolliffe CBE FRCP
Secretary General:	Lieutenant Colonel C F Warren
Controller Finance:	Major D Thompson
Bankers:	National Westminster Bank plc 65 Piccadilly London W1A 2PP
Independent auditor:	Mazars LLP 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4JQ

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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

The Royal Commonwealth Ex-Services League

Trustees' report

Introduction from The Honorary Treasurer

This Report and Accounts covers for the second consecutive year, a 12-month accounting period, in line with the tax year running from April to the following March. This report will therefore, after 2 transitional years, be directly comparable with that of the previous year as it covers a 12-month period over the same timeframe.

The key driver for the change in accounting period was the impact of the Accountable Grant Arrangement (AGA) that we entered, in partnership with the Foreign, Commonwealth and Development Office (FCDO), formerly the Department for International Development (DFID) in 2019. 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.

Over the last 2 years changes in working practices, to a hybrid model, driven by the Covid pandemic have been firmly embedded both in the UK and in our Member Organisations around the world who have had to adapt to the measures imposed by their respective governments. Since the autumn of 2021, the League has reintroduced face-to-face meetings for the Executive Committee, Finance Sub Committee and SCOWP Committee. In addition, the HQ Staff have restarted international travel to conduct Monitoring & Evaluation visits to our Member Organisations.

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 recovered strongly from the previous year although income generated in interest payments in the League's various deposit accounts was low driven by interest rates. The lower than forecast decline in beneficiary numbers presented a challenge this year and will do so for the final 2 years of the FCDO programme, with funding budgeted to reduce. An additional £219,500 of grants was awarded by FCDO this year to enable the League to maintain individual beneficiary grants at the same level. At the time of writing, FCDO has indicated that additional funds are also likely be forthcoming for the fourth year of the programme thus preventing the need to reduce the value of individual grants to stay within budget.

Despite the ongoing challenges posed by the Covid 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 a time when many veterans and widows have been particularly vulnerable.

Public Benefit

The Trustees present their report and the financial statements for the year ended 31 March 2022. 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.

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

Because 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 2021 – 31 March 2022.

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 to relieve poverty. The League is confident that all applicable guidelines for meeting public benefit in 2021/22 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 September 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.

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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 B Julian	Canada, Dominion President
Mrs E A Watkins DL	Canada (Executive Committee Member)
Major U Cleminson CBE BEM TD	The Royal British Legion, National Chairman (to 15/05/22)
Mr J Coward	The Royal British Legion, National Chairman (from 15/05/22)
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 MBE 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.

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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 18).

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, in line the League's 5-Year Plan. The donations target was not achieved because, like all charities, the League's income was adversely affected by the ongoing impact of Covid, and we had hoped for a stronger recovery in donations this year. After a significant spend deficit in the previous Financial Year, a key target this year was to offset the FCDO Programme match funded overspend of the previous 2 years, borne directly by the League from our reserves. This was successfully achieved with FCDO bearing a larger proportion of welfare grants utilising both the previous underspend of their funds and the additional £219,500 awarded to maintain individual grants at the same level. This adjustment has now brought match funded expenditure across the first 3 years of the programme back into line with budget. The overspend in expenditure on grants 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. Ultimately the League has been able to support more beneficiaries than forecast with a higher value individual grant. Other cost lines were tightly controlled and were delivered under budget.

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Financial Review

During the year to 31 March 2022, the League distributed £4,161,439 on welfare (2021: £4,485,658). The net expenditure (before gains on investment assets) from the 12-month period's operations was £123,613 (2021: net expenditure of £1,012,943). The underlying unrestricted result for the year ended 31 March 2022 was net expenditure of £9,955 (2021: net expenditure of £381,830). At the end of the year total funds amounted to £1,979,714 (2021: £2,030,469).

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, to ensure diligent management. The investment objective of the portfolio is to maximise income and capital available for drawdown, 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 2022, which therefore covers the continued recovery of the markets from their Covid lows in March 2020 and the Russian invasion of Ukraine in February 2022. The investments comprise a holding in the Newton Growth and Income Fund for Charities (the Fund).

The second quarter of 2021 saw a continued strong recovery based on post Covid improvements and this was followed by a consolidation in the third quarter although still with positive returns. The fourth quarter of 2021 was noted for its volatility and sector rotation away from long term high valued stocks into more cyclical names that were showing a high rate of improvement with the further easing of Covid restrictions. Inflation, which had not been of concern to the markets for many years also resurfaced as a concern. Government bonds sold off as markets discounted a period of aggressive interest rate rises albeit from a base of mostly negative real yields. Commodities, particularly oil and gas prices rose sharply in this environment. These trends were slightly reversed at the end of the year as the effects of the Omicron variant reduced growth forecasts.

Market activity year to date has been in approximately three phases. The first part of the year was a continuation of the rotation of the end of 2021, with a move out of long-term growth into shorter duration assets. This was caused by the inflationary trends becoming the primary focus. The second phase was the response to the invasion of Ukraine, which broadly exacerbated the trends of the first part of the year through the impact on inflation of disruption of the oil and gas supply network and food/fertilizer supplies. The market had mostly recovered the phase two losses by the end of the quarter, phase three. The more serious long-term issue is the one that has caused market difficulties more recently, which is the consequences of the Covid lock-down in China. This has raised the spectre of lack of growth alongside the other problems caused by excess inflation.

The unwinding of Covid had presented unique problems within supply chains and the supply of workers, and both will be likely to remain difficult to read for a year or so at the minimum. These effects included blocked ports, key workers off sick and major disruptions to the logistics of the just in time economy. Central banks have now moved to be on the hawkish side on raising interest rates to curtail inflation. Returns for Q1 has therefore been in negative territory with positive returns only generally available in Oil and Gas, mining, and defence. Gilts sold off 7% in the first quarter.

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The Fund return over the twelve months was +12.6% against its benchmark of 9.0%. Over the period, the main market returns in GBP terms were: FTSE All-Share Index +13.0%; FTSE World ex-UK Index +14.9%; and FTA Government All-Stocks Gilts Index -5.1%. (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.)

In the prior year, the income received by the Fund was affected by the cancellation or postponement of dividends because of Covid, some of which were driven by corporates conserving cash, and some by the regulators. The situation improved markedly over the reporting year and income recovered substantially to near previous levels although several companies have amended their pay-out policy to a more cautious level.

The outlook is now very uncertain. The war in the Ukraine still dominates the media headlines, but of greater economic significance is the very high levels of inflation and the effects of the Covid driven lock down of large parts of China. The effects of the latter are making their presence felt across many industries that source components from China, although at the margin it has also had a dampening effect on resource pricing that is an important component of the inflation statistics. Markets can normally manage with rising interest rates provided economic growth continues, but to bring inflation back under control Central Bank monetary policy may either deliberately or otherwise, trigger a recession. That would significantly undermine valuation metrics in large parts of equity markets although it would also probably lead to good bond performance.

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 2 years with the office staff working a hybrid model of 1 to 2 days in the office with the remainder 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.

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- 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.
- 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 Covid pandemic. The online training platform developed last year has been successfully utilised by many Member Organisations providing training in Safeguarding Essentials, IT & Data Security and Fraud Awareness.

Reserves Policy

It is planned to expend most 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 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 2022 SCOWP Meeting. 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

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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. 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 2024. 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 slight increase from 703 in 2021/2022 to 705 in 2022/2023, administered by Controller Welfare and Grants. This increase can be attributed to the higher number of Blind Veteran UK (BVUK) grants awarded this year. However, the number of non BVUK agency grants awarded has decreased to 592 this year reflecting both the year-on-year decrease in monetary value disbursed and the age and frailty of the beneficiaries being supported. 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.

A strategy paper has been written and discussed with key stakeholders to consider the longer-term future of the League beyond the FCDO Programme which is due to finish in March 2024. This paper considers both future sources of funding, including the option of further funding from FCDO, and the future role of the League supporting both declining numbers of pre-independence veterans & widows and contemporary veterans around the commonwealth.

Our intention is to apply for an extension to the AGA and Commonwealth Veterans Programme from March 2024. This is driven by the higher number of beneficiaries we are currently supporting than the first actuarial forecast predicted. We estimate some 2,500 beneficiaries, mostly elderly and frail widows, would still need support for up to another 5 years after March 2024. Whilst FCDO is aware of the situation and our intention to submit a formal proposal and business case, they are unable at this point to provide any indication of support that may or may not be forthcoming. An extension to the Programme, supported by our CVRC partners, will be the Main Effort in Years 4 and 5 of the current Programme.

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 to make themselves aware of any relevant audit information and to establish that the League's auditors are aware of that information.


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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 5 July 2022 and signed on their behalf by


.....
Mr J Coward
Trustee
.....
Mr J M Archer
Trustee

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

Opinion

We have audited the financial statements of Royal Commonwealth Ex-Services League (the 'charity') for the year ended 31 March 2022 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 2022 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 The Royal Commonwealth Ex-Services League

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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime, and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design

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

procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks 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 revenue recognition (which we pinpointed to the cut off risk, and significant one-off or unusual transactions).

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

- Making enquiries of the directors 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. This description forms part of our auditor's report.

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

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.



Richard Bott (Senior Statutory Auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS
Date: 13 July 2022

The Royal Commonwealth Ex-Services League

Statement of financial activities For the year ended 31 March 2022

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds Year ended 31 Mar 2022 £	Total funds Year ended 31 Mar 2021 (note 2) £
Income						
Donations and legacies						
Donations, grants and appeals	3	664,282	-	596,256	1,260,538	1,444,198
FCDO grant	7	-	-	2,843,710	2,843,710	2,092,184
Legacies						-
Income from investments	4	16,244	4	32	16,280	19,129
Total income		680,526	4	3,439,998	4,120,528	3,555,511
Expenditure						
Expenditure on raising funds						
Fundraising costs	5	47,397	-	-	47,397	45,782
Poppy supplies and freight charges		35,305	-	-	35,305	37,013
		82,702	-	-	82,702	82,795
Expenditure on charitable activities						
RCEL welfare grants	6	680,637	17,804	603,618	1,302,059	1,902,163
FCDO grant	7	-	-	2,859,380	2,859,380	2,583,496
Total expenditure		763,339	17,804	3,462,998	4,244,141	4,568,454
Net (expenditure) before investment gains		(82,813)	(17,800)	(23,000)	(123,613)	(1,012,943)
Gains on investments		72,858	-	-	72,858	143,880
Net (expenditure) before transfers		(9,955)	(17,800)	(23,000)	(50,755)	(869,063)
Transfers between funds		(37,000)	37,000	-	-	-
Net movement in funds		(46,955)	19,200	(23,000)	(50,755)	(869,063)
Total funds brought forward		1,764,461	119,468	146,540	2,030,469	2,899,532
Total funds carried forward	16,17,18,19	1,717,506	138,668	123,540	1,979,714	2,030,469

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

The Royal Commonwealth Ex-Services League

Balance sheet as at 31 March 2022

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	12	-	-
Investments	13	1,550,199	1,660,943
		<u>1,550,199</u>	<u>1,660,943</u>
Current assets			
Debtors	14	14,028	38,818
Cash at bank and in hand		485,080	409,351
		<u>499,108</u>	<u>448,169</u>
Creditors: amounts falling due within one year	15	(69,593)	(78,643)
		<u></u>	<u></u>
Net current assets		429,515	369,526
		<u></u>	<u></u>
Net assets	19	1,979,714	2,030,469
		<u><u>1,979,714</u></u>	<u><u>2,030,469</u></u>
Represented by:			
Unrestricted funds	16	1,717,506	1,764,461
Designated funds	17	138,668	119,468
Restricted funds	18	123,540	146,540
		<u>1,979,714</u>	<u>2,030,469</u>
		<u><u>1,979,714</u></u>	<u><u>2,030,469</u></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 5 July 2022 and signed on their behalf by:

Mr J Coward
Trustee

Mr J M Archer
Trustee



The Royal Commonwealth Ex-Services League

Statement of Cash Flows for the year ended 31 March 2022

	Year ended 31 Mar 2022 £	Year ended 31 Mar 2021 £	
Cash flows from operating activities			
Net (expenditure)	(50,755)	(869,063)	
Adjustments for:			
(Gain) on investments	(72,858)	(143,880)	
Interest income	(16,280)	(19,129)	
Trade and other debtors	24,790	3,513	
Trade and other creditors	(9,050)	24,354	
Cash flows (used in) operating activities	(124,153)	(1,004,205)	
Cash flows generated in investing activities			
Purchase of investments*	(16,398)	(18,675)	
Proceeds on disposal of investments*	200,000	250,000	
Interest received	16,280	19,129	
Cash flows generated from investing activities	199,882	250,454	
Net increase/(decrease) in cash	75,729	(753,751)	
	At 1 Apr 2021	Movement in cash	At 31 Mar 2022
	£	£	£
Cash at bank	409,351	75,729	485,080

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

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

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 2019) – (Charities SORP (FRS 102)).

The Finance Sub-Committee has reviewed detailed cash flow projections to 1 October 2023 and have agreed detailed budgets for the year ended 31 March 2024. 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.

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

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.

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

2 Comparative Statement of Financial Activities – year ended 31 March 2021

	Unrestricted funds	Designated funds	Restricted funds	Total funds 2021
	£	£	£	£
Income				
Donations and legacies				
Donations, grants and appeals	648,651	10,000	785,547	1,444,198
FCDO grant	-	-	2,092,184	2,092,184
Legacies	-	-	-	-
Income from investments	19,044	22	63	19,129
Total income	667,695	10,022	2,877,794	3,555,511
Expenditure				
Expenditure on raising funds				
Fundraising costs	45,782	-	-	45,782
Poppy supplies and freight charges	37,013	-	-	37,013
	82,795	-	-	82,795
Expenditure on charitable activities				
RCEL welfare grants	1,110,610	99	791,454	1,902,163
FCDO grants	-	-	2,583,496	2,583,496
Total expenditure	1,193,405	99	3,374,950	4,568,454
Net (expenditure)/income before investment gains	(525,710)	9,923	(497,156)	(1,012,943)
Gains on investment assets	143,880	-	-	143,880
Net (expenditure)/income before transfers	(381,830)	9,923	(497,156)	(869,063)
Transfers between funds	(30,000)	30,000	-	-
Net movement in funds	(411,830)	39,923	(497,156)	(869,063)
Total funds brought forward	2,176,291	79,545	643,696	2,899,532
Total funds carried forward	1,764,461	119,468	146,540	2,030,469

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

3 Donations, Grants and Appeals

	Unrestricted funds	Designated funds	Restricted funds	Year ended 31 Mar 2022 Total funds
	£	£	£	£
Affiliation fees	270	-	-	270
Donations from Member Organisations	242,624	-	-	242,624
Donations in kind from Member Organisation (see note a)	76,659	-	-	76,659
Contributions from external funds to administration (see note b)	61,771	-	-	61,771
Other donations	282,958	-	596,256	879,214
	<u>664,282</u>	<u>-</u>	<u>596,256</u>	<u>1,260,538</u>
	Unrestricted funds	Designated funds	Restricted funds	Year ended 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>

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

	Year ended 31 Mar 2022	Year ended 31 Mar 2021
	£	£
Donation of lapel poppies	31,222	30,198
Free office accommodation and services	45,437	42,730
	<u>76,659</u>	<u>72,928</u>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

3 Donations, Grants and Appeals (continued)

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

	Year ended 31 Mar 2022	Year ended 31 Mar 2021
	£	£
Royal Air Force Benevolent Fund	18,214	15,473
Royal Navy Benevolent Trust	3,557	-
ABF The Soldiers' Charity	20,000	20,000
The Officers' Association	20,000	20,000
	<u>61,771</u>	<u>55,473</u>

4 Income from investments

	Unrestricted funds	Designated funds	Restricted funds	Year ended 31 Mar 2022 Total funds
	£	£	£	£
Dividend income	15,799	-	-	15,799
Interest on fixed deposit	427	-	-	427
Other bank deposit interest	18	4	32	54
	<u>16,244</u>	<u>4</u>	<u>32</u>	<u>16,280</u>

	Unrestricted funds	Designated funds	Restricted funds	Year ended 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>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

5 Fundraising costs

	Year ended 31 Mar 2022	Year ended 31 Mar 2021
	£	£
Direct fundraising costs	6,172	5,703
Support costs (see note 8)	41,225	40,079
	<u>47,397</u>	<u>45,782</u>
All amounts relate to unrestricted funds in both periods.		

6 RCEL welfare grants

	Unrestricted funds	Designated funds	Restricted funds	Year ended 31 Mar 2022 Total funds
	£	£	£	£
Funds administered and disbursed on behalf of other charities	-	-	558,881	558,881
Grants to Member Organisations	492,248	-	44,630	536,878
Project grants	9,440	-	-	9,440
Welfare tour costs	3,795	-	-	3,795
Support costs (see note 8)	175,154	17,804	107	193,065
	<u>680,637</u>	<u>17,804</u>	<u>603,618</u>	<u>1,302,059</u>

	Unrestricted funds	Designated funds	Restricted funds	Year ended 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	110,027	99	145	110,271
	<u>1,110,609</u>	<u>99</u>	<u>791,455</u>	<u>1,902,163</u>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

6 Welfare (continued)

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

	2022	2021
	Number	Number
From the Charity's own funds	4,580	5,231
Funds administered and disbursed on behalf of other charities (Agency work)	705	703
	<u>5,285</u>	<u>5,934</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, despite best efforts, RCEL has continued to be unable to send funds to 452 Indian beneficiaries. In addition, due to issues with governance, grants could not be sent to 128 veterans in Tanzania this year. Funding for both India and Tanzania could not therefore be claimed from FCDO, however the number of beneficiaries in other countries continues to decline due to the age and frailty of the recipients.

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	Year ended 31 Mar 2022 Total funds	Year ended 31 Mar 2021 Total funds
	£	£	£	£	£
Income					
FCDO income - welfare	-	-	2,578,415	2,578,415	1,919,237
FCDO income - operational	-	-	265,295	265,295	172,947
	<u>-</u>	<u>-</u>	<u>2,843,710</u>	<u>2,843,710</u>	<u>2,092,184</u>
Expenditure					
FCDO welfare grants	-	-	2,492,888	2,492,888	2,159,989
FCDO other costs	-	-	366,492	366,492	423,507
	<u>-</u>	<u>-</u>	<u>2,859,380</u>	<u>2,859,380</u>	<u>2,583,496</u>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

8 Allocation of support costs

	Welfare	FCDO other costs	Fundraising	Year ended 31 Mar 2022 Total funds	Year ended 31 Mar 2021 Total funds
	£	£	£	£	£
Staff costs (see note 9)	114,430	293,615	19,881	427,926	455,388
Conferences & meetings	29,235	12,962	3,987	46,184	5,653
Office accommodation & services	21,872	15,763	9,336	46,971	44,369
Travel & subsistence costs	1,192	17,462	63	18,717	794
Safeguarding	-	-	-	-	(5,328)
Delivery expenses	-	-	-	-	3,880
Other costs	10,177	5,457	-	15,634	20,151
Legal costs	5,431	1,832	2,674	9,937	16,277
Auditor's remuneration					
- Audit	3,355	4,737	1,652	9,744	9,491
- Other services	4,964	13,465	2,445	20,874	18,282
Annual report	2,409	1,199	1,187	4,795	4,900
Total (see notes 5 and 6)	193,065	366,492	41,225	600,782	573,857

Governance costs comprise audit and accountancy fees and the cost of preparing the annual report; these total £30,618 (2021: £27,773). 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

	Year ended 31 Mar 2022 Total funds	Year ended 31 Mar 2021 Total funds
	£	£
Wages and salaries	298,908	326,333
Social security costs	30,877	32,548
Pension costs (see note 11)	28,908	30,667
Staff insurance and health care	11,198	12,804
Overseas project officers (contract staff)	58,035	53,036
Staff costs	427,926	455,388

The number of employees throughout the year was 10 (2021: 11)

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

9 Staff costs (continued)

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 2022 were £218,360 (2021: £216,035).

10 Trustees

No Trustees received any emoluments during either period.

During the period 3 (2021: 11) of the Trustees were reimbursed for travel expenses, totalling £621 (2021: £220).

11 Pension costs

The 6 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 £28,908 (2021: 7 staff with contributions of £30,667).

12 Intangible fixed assets

	Website £
Cost	
Balance at 1 April 2021 and 31 March 2022	2,063
Depreciation	
Balance at 1 April 2021 and 31 March 2022	2,063
Net book value	
At 31 March 2022	<u> </u>
At 31 March 2021	<u> </u>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

13 Investments

	2022	2021
	£	£
At 1 January	1,660,943	1,748,388
Additions	16,398	18,675
Disposals	(200,000)	(250,000)
Realised and unrealised gains on portfolio	72,858	43,880
Movement in cash	-	143,880
	<u>1,550,199</u>	<u>1,660,943</u>
Market value at 31 March	1,550,199	1,660,943
	<u>640,732</u>	<u>824,334</u>
Historical cost	640,732	824,334

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

14 Debtors

	2022	2021
	£	£
Accrued interest	835	1,006
Prepayments	13,193	37,812
Other debtors	-	-
	<u>14,028</u>	<u>38,818</u>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Taxation and social security	9,310	10,944
Accruals	42,868	48,327
Deferred income	15,000	15,000
Other creditors	2,415	4,372
	<u>69,593</u>	<u>78,643</u>

16 Unrestricted funds

	At 1 April 2021	Income	Expenditure	Gains on investments	Transfer between funds	At 31 Mar 2022
	£	£	£	£	£	£
Accumulated fund	<u>1,764,461</u>	<u>680,526</u>	<u>(763,339)</u>	<u>72,858</u>	<u>(37,000)</u>	<u>1,717,506</u>

	At 1 Jan 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>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

17 Designated funds

	At 1 Apr 2021	Income	Expenditure	Transfer between funds	At 31 Mar 2022
	£	£	£	£	£
Conference Fund	98,937	-	-	37,000	135,937
Staff Contingency Fund	20,531	4	(17,804)	-	2,731
	<u>119,468</u>	<u>4</u>	<u>(17,804)</u>	<u>37,000</u>	<u>138,668</u>
Total	<u>119,468</u>	<u>4</u>	<u>(17,804)</u>	<u>37,000</u>	<u>138,668</u>

	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
	<u>79,545</u>	<u>10,022</u>	<u>(99)</u>	<u>30,000</u>	<u>119,468</u>
Total	<u>79,545</u>	<u>10,022</u>	<u>(99)</u>	<u>30,000</u>	<u>119,468</u>

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 2021/22 £37,000 was transferred to this fund.

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

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

18 Restricted funds

	At 1 Apr 2021	Income	Expenditure	Transfers	At 31 Mar 2022
	£	£	£	£	£
FCDO	6,762	2,843,710	(2,859,380)	-	(8,908)
The Askari Appeal	53,443	2,463	(1,128)	-	54,778
Prince Philip Lodge Fund	163	-	-	-	163
Auchinleck Appeal	21,615	209	(53)	-	21,771
Legacy: Indian Army Association	31,031	-	-	-	31,031
TRBL Women's Section	17,500	-	(5,712)	-	11,788
Queen Mary's Roehampton Trust	-	20,000	(20,000)	-	-
African Veterans	4,312	-	(1,890)	-	2,422
M St J Way Charitable Trust	-	4,000	(4,000)	-	-
Funds administered on behalf of other charities (agency work)	11,714	557,662	(558,881)	-	10,495
Other restricted grants	-	11,954	(11,954)	-	-
	<u>146,540</u>	<u>3,439,998</u>	<u>(3,462,998)</u>	<u>-</u>	<u>123,540</u>

	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>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

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.

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 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.

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 must be refunded to the donor charity) or money held until good governance is completed in country.

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2022 £
Investments	1,550,199	-	-	1,550,199
Current assets	236,900	138,668	123,540	499,108
Current liabilities	(69,593)	-	-	(69,593)
	<u>1,717,506</u>	<u>138,668</u>	<u>123,540</u>	<u>1,979,714</u>
	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>

20 Funds held on behalf of Member Organisations

At 31 March 2022 the League held bank balances on behalf of 5 Member Organisations totalling £98,866 (31 March 2021: £96,934). 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:

	31 Mar 2022 Total funds £	31 Mar 2021 Total funds £
The Royal British Legion annual donation	240,000	240,000
The Royal British Legion (see note 3a)	76,659	72,928
The Royal British Legion (women's section)	-	10,000
The Royal British Legion (conference)	-	10,000
	<u></u>	<u></u>

The Royal Commonwealth Ex-Services League

Notes to the financial statements For the year ended 31 March 2022

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.