

**The Royal Commonwealth Ex-Services League**

**Trustees' report**

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# **Reports & Financial Statements**

For the year ended 31 March 2023

**The Royal Commonwealth  
Ex-Services League**

**Company number:** 10922587

**Charity number:** 1174874

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

## **Trustees' report**

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# The Royal Commonwealth Ex-Services League

## Trustees' report

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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>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 Mr J Coward 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
<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 CBE FRCP
<b>Secretary General:</b>	Lieutenant Colonel C F Warren
<b>Controller Finance:</b>	Major D H Thompson
<b>Bankers:</b>	National Westminster Bank plc 65 Piccadilly London W1A 2PP
<b>Independent auditor:</b>	Mazars LLP 90 Victoria Street Bristol BS1 6DP

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

## **Trustees' report**

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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**

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### **Introduction from The Honorary Treasurer**

This Report and Accounts covers a 12-month accounting period running from April 2022 to March 2023. It was the penultimate year 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. In September, the League held the postponed Centenary Commonwealth Conference in London which agreed Courses of Action (COA) post March 2024 when the current AGA is due to finish. More about this later in Plans for Future Periods.

Over the last 2 years changes in working practices, to a hybrid model, driven by the Covid pandemic are now well established both in the UK and in our Member Organisations around the world. All the key management meetings in the UK including the Commonwealth Conference were held in person throughout the year. In addition, the HQ Staff have conducted a significant number of Monitoring & Evaluation (M&E) visits to our Member Organisations this year to catch up on the backlog caused by the pandemic and to meet the contractual requirements of the AGA.

The League's income improved year on year with donations higher than expected. This was driven by the return of accumulated welfare grants from India which could not be spent due to FCRA regulations, and generous grants from The Dulverton Trust and the M St J Way Charitable Trust. The lower than forecast decline in beneficiary numbers continued to present a challenge this year and will do so for the final year of the FCDO programme. An additional £646,000 of funds were awarded by FCDO this year to cover the final 18 months of the programme and to enable the League to maintain individual grants at the same level despite the higher beneficiary numbers. These additional funds have enabled the League to support more beneficiaries than forecast. A cumulative number of 7,285 veterans and widows have been supported by the programme over the last 4 years.

Despite the ongoing challenges posed by global events including the invasion of Ukraine and the Cost-of-Living Crisis, 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 to inflation and food shortages.

### **Public Benefit**

The Trustees present their report and the financial statements for the period ended 31 March 2023. 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.

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 2022 – 31 March 2023.

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

## **Trustees' report**

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 2022/23 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 4 other office staff and 4 overseas based Project Officers, 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. The Members of the Executive Committee are the Trustees who are also Directors. The Executive Committee is chaired by the Deputy Grand President.

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.

# The Royal Commonwealth Ex-Services League

## Trustees' report

### Membership of Committees and Sub-Committees

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#### 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)
Mr J Coward	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 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 H 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.

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

## **Trustees' report**

### **Relationship with Related Parties and Other Charities**

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In addition to distributing its own funds, the Charity acts for over 30 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 annually 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 47 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 exceeded for the reason outlined in the Honorary Treasurer's introduction. After a significant spend deficit in the first 2 years of the Programme, borne by the League from its own reserves, a key target this year was to continue to offset the FCDO Programme match funded overspend for a second year. This was successfully achieved with FCDO bearing a larger proportion of welfare grants utilising both the previous underspend of their funds and a proportion of the additional £646,000 awarded to maintain individual grants at the same level. This adjustment has now brought match funded expenditure across the first 4 years of the programme back into line with budget. The overspend 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.



# The Royal Commonwealth Ex-Services League

## Trustees' report

### Financial Review

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During the 12 months to 31 March 2023, the League distributed £3,770,705 on welfare (2022: £4,161,439). The net expenditure (before gains on investment assets) from the 12-month period's operations was £43,224 (2022: net expenditure of £123,613). The underlying unrestricted result for the 12-month period ended 31 March 2023 was net income of £17,670 (2022: net expenditure of £82,813). At the end of the period total funds amounted to £1,913,558 (2022: £1,979,714).

### 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 2023, covering the economic implications of the war in Ukraine, surging inflation, and rising interest rates by Central Banks. The investments comprise of a holding in the Newton Growth and Income Fund for Charities.

Intensifying inflationary forces were the key driver of risk sentiment in Q2 of 2022, global equity markets declined by more than 15%. High inflationary figures in the US, UK and across Europe saw a continued response from central banks, the US Federal Reserve (Fed) in particular, accelerated the tightening cycle, which heightened fears of a greater-than-expected slowdown in growth. Elsewhere, the Chinese economy still faced significant challenges with the governments continued zero Covid policy.

After a rally in July, both equities and bonds registered negative returns in Q3. Most notably in the UK, the appointment of Liz Truss as the leader of the Conservative party, the unveiling of the government's fiscal package sent sterling to a record low against the dollar and sent the gilt market in to turmoil. The Bank of England stepped in and temporarily purchased long-dated UK government bonds to stabilise the economy. The final quarter of 2022 saw global equities make a more tentative breakthrough after three consecutive quarters of decline. Several factors aided the positive move, one of the key factors was the anticipation of a step down in the pace of interest-rate rises by the US Federal Reserve (Fed) and other major central banks amid growing evidence that inflation may have peaked. In addition to this, positive news from China that the government would reverse its zero-Covid policy, making markets increasingly optimistic about a pickup in Chinese growth in 2023. Despite this encouraging news flow, central bankers maintained a hawkish tone at their December policy meetings, and stocks trended lower again into year-end amid a broader trend of profit taking. After a torrid third quarter, bond market returns for the final three months of 2022 saw a significant improvement, with only global government bonds delivering a small loss.

The key challenge that both policymakers and the markets have been grappling with is one that is front of stage in 2023: high inflation, the extent of which has been exacerbated by the Russia/Ukraine conflict. The ensuing cost-of-living crisis, which policymakers were forced to address by raising interest rates, is likely to persist as inflation becomes more structurally embedded in the system. The turn of the year was a tumultuous one with significant volatility in March after the collapse of Silicon Valley Bank, followed by the travails of Credit Suisse which led to its acquisition by UBS. The year had started on a positive note with confidence buoyed by several good news stories underpinning investors' risk appetite. However, this

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## Trustees' report

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optimism was supplanted by worries around the trajectory of interest rates as central banks made it clear that they were prepared to continue their hiking path.

The Fund return over the twelve months was +2.3% against its benchmark of -2.0%. Over the period, the main market returns in GBP terms were: FTSE All-Share Index +2.9%; FTSE World ex-UK Index -1.0%; and FTA Government All-Stocks Gilts Index -16.3%. (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.)

Within equities, the biggest positive relative contribution to performance came from the industrials sector. BAE systems performed well as the growth outlook continued to improve given increased geopolitical tensions and a focus on national defence. In addition to this, the funds stock selection in the technology sector contributed positively with holdings in Microsoft and SAP performing strongly over the period. Elsewhere, the underweight bond position was a positive relative contributor to performance.

Conversely, the funds underweight position in energy was the biggest detractor as companies such as Shell and BP profited from tight supplies and rising demand fuelled energy prices in 2022.

Income received by the fund has recovered from the pandemic lows of 2020 and it is pleasing to see the dividends paid to March 2023 were 3.55 pence per unit. It is worth noting that although the dividend is moving in a positive direction, we believe it will take some time to get back to the levels seen in 2019. Central banks are now walking a tightrope as they raise interest rates in an attempt to ward off runaway inflation, while at the same time seeking to avoid the adverse side effect of tipping economies into recession. Tighter monetary policy is beginning to test the fragility of the financial system. As the economy adjusts to the effects of higher bond yields, potential exists for increased pressure to weigh on liquidity and the availability of credit. China's economic reopening is another dynamic for the global economy to digest, while tensions between China and the US, as well as the Russia-Ukraine conflict, continue to pose significant risks. Volatility is therefore likely to remain a feature of markets in the near term. We will continue to place our focus on those companies which we believe have more resilient earnings profiles and attractive end-market outlooks. Over the longer term, we will seek to benefit from the opportunities and avoid the challenges identified by our multidimensional research process, as the ongoing tectonic shifts in technology, health care, energy and geopolitics, among other areas, continue to shape the world around us.

## 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

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the office staff working a hybrid model of 1 to 2 days in the office (dependent on full or part time employment) 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 and Cost-of-Living crisis 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 £12.3 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 of Member Organisations has increased through the annual due diligence process, quarterly financial reporting, and an increased frequency of Monitoring & Evaluation (M&E) 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 a new Sexual Exploitation, Abuse & Harassment (SEAH) policy has been written. Both have been distributed to all Member Organisations. A Regional training seminar in Sri Lanka, postponed due to the Covid pandemic, is planned for September 2023. The online training platform developed 2 years ago has been successfully utilised by most 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.

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

## **Trustees' report**

### **Key Management Personnel**

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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, who are supported financially, did qualify for the FCDO award with funding confirmed in time for 2023 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 the generous donations of the major Service Charities. 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 a greater risk and a significant amount of work by RCEL HQ and Member Organisations has been undertaken to reduce risk to an acceptable level. A Resilience Matrix has been compiled by RCEL HQ to monitor risk in each country. Quarterly reporting by Member Organisations coupled to annual Due Diligence has increased oversight and provided more timely and accurate information. In addition, Project Officers and 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 decrease from 705 in 2021/2022 to 544 in 2022/2023, administered by Controller Welfare and Grants. This decrease can be attributed to the increasing age and frailty of the beneficiaries being supported. Controller Welfare and Grants spends some 30% of his time in direct support of the 30 or so military charities who have less global reach than the League.

A strategy paper was written and discussed with key stakeholders in the previous year 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. The Courses of Action (COA) derived from this paper were discussed and voted on at the Commonwealth Conference in September to provide the necessary mandate for the Trustees to take relevant action. Following Conference, the Commonwealth Veterans Review Committee (the Royal Navy & Royal Marines Charity (RNRMC), the ABF the Soldiers' Charity, the RAF Benevolent Fund and the Royal British Legion) chaired by Sir Malcolm Rifkind and General the Lord Richards, was updated by the Deputy Grand President. These Service charities, the main supporters of Commonwealth veterans and widows overseas will be further updated once the outcome of the FCDO Programme extension is known and agreement for the selected COA sought.

An application for a 3-year extension to the AGA and Commonwealth Veterans Programme from March 2024 has been submitted to FCDO. This is driven by the higher number of beneficiaries being supported by the League than the actuarial forecast predicted. We estimate some 3,300 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, they are unable at this point to provide any indication of support that may or may not be

# The Royal Commonwealth Ex-Services League

## Trustees' report

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forthcoming. An extension to the Programme, supported by our CVRC partners, will be the Main Effort in Year 5, the final year, of the current Programme.

## Related parties

One of the Trustees is also a Trustee of other organisations with which the League has dealings. These are 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.

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.

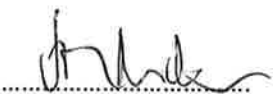
This report has been prepared in accordance with the special provisions of The Companies Act 2006 relating to small entities.

Approved by the Trustees on 05 July 2023 and signed on their behalf by:



Mr J Coward  
Trustee

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Mr J M Archer  
Trustee

# Independent auditor's report to the Trustees of The 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 2023 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 2023 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**

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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; 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 procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

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

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.

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](http://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**

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### **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  
90 Victoria Street, Bristol, BS1 6DP  
Date: 18 July 2023

# The Royal Commonwealth Ex-Services League

## Statement of financial activities For the year ended 31 March 2023

	Notes	Unrestricted funds	Designated funds	Restricted funds	Total funds Year ended 31 Mar 2023	Total funds Year ended 31 Mar 2022 (note 2)
		£	£	£	£	£
<b>Income</b>						
<b>Donations and legacies</b>						
Donations, grants and appeals	3	686,850	-	524,837	1,211,687	1,260,538
FCDO grant	7	-	-	2,552,398	2,552,398	2,843,710
Legacies		-	-	5,000	5,000	-
<b>Income from investments</b>	4	23,109	62	1,759	24,930	16,280
<b>Total income</b>		709,959	62	3,083,994	3,794,015	4,120,528
<b>Expenditure</b>						
<b>Expenditure on raising funds</b>						
Fundraising costs	5	52,098	-	-	52,098	47,397
Poppy supplies and freight charges		14,436	-	-	14,436	35,305
		66,534	-	-	66,534	82,702
<b>Expenditure on charitable activities</b>						
RCEL welfare grants	6	625,755	102,661	500,345	1,228,761	1,302,059
FCDO grant	7	-	-	2,541,944	2,541,944	2,859,380
<b>Total expenditure</b>		625,755	102,661	3,042,289	3,837,239	4,244,141
<b>Net income/(expenditure) before investment (losses)/gains</b>		17,670	(102,599)	41,705	(43,224)	(123,613)
<b>(Losses)/gains on investments</b>		(22,932)	-	-	(22,932)	72,858
<b>Net (expenditure)/income before transfers</b>		(5,262)	(102,599)	41,705	(66,156)	(50,755)
<b>Transfers between funds</b>		-	-	-	-	-
<b>Net movement in funds</b>		(5,262)	(102,599)	41,705	(66,156)	(50,755)
Total funds brought forward		1,717,506	138,668	123,540	1,979,714	2,030,469
<b>Total funds carried forward</b>	16,17,18,19	1,712,244	36,069	165,245	1,913,558	1,979,714

There are no recognised gains or losses other than those included above.  
All amounts relate to continuing activities.  
The notes on pages 21 to 36 form part of these financial statements.

# The Royal Commonwealth Ex-Services League

## Balance sheet as at 31 March 2023

	Notes	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	12	-	-
Investments	13	1,373,131	1,550,199
		<u>1,373,131</u>	<u>1,550,199</u>
<b>Current assets</b>			
Debtors	14	13,403	14,028
Cash at bank and in hand		577,285	485,080
		<u>590,688</u>	<u>499,108</u>
<b>Creditors: amounts falling due within one year</b>	15	(50,261)	(69,593)
		<u>540,427</u>	<u>429,515</u>
<b>Net current assets</b>		540,427	429,515
<b>Net assets</b>	19	<u>1,913,558</u>	<u>1,979,714</u>
<b>Represented by:</b>			
Unrestricted funds	16	1,712,244	1,717,506
Designated funds	17	36,069	138,668
Restricted funds	18	165,245	123,540
		<u>1,913,558</u>	<u>1,979,714</u>

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

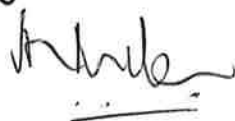
The notes on pages 21 to 36 form part of these financial statements.

Approved by the Trustees on 5 July 2023 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 2023

	Year ended 31 Mar 2023 £	Year ended 31 Mar 2022 £
<b>Cash flows from operating activities</b>		
<b>Net (expenditure)</b>	(66,156)	(50,755)
Adjustments for:		
Loss/(gain) on investments	22,932	(72,858)
Interest income	(24,930)	(16,280)
Decrease in trade and other debtors	625	24,790
Decrease in trade and other creditors	(19,332)	(9,050)
<b>Cash flows (used in) operating activities</b>	<b>(86,861)</b>	<b>(124,153)</b>
<b>Cash flows from investing activities</b>		
Purchase of investments*	(20,864)	(16,398)
Proceeds on disposal of investments*	175,000	200,000
Interest received	24,930	16,280
<b>Cash flows generated from investing activities</b>	<b>179,066</b>	<b>199,882</b>
<b>Net increase in cash</b>	<b>92,205</b>	<b>75,729</b>

	At 1 Apr 2022 £	Movement in cash £	At 31 Mar 2023 £
Cash at bank	485,080	92,205	577,285

\* 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 notes on pages 21 to 36 form part of these financial statements.

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

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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 2019) – (Charities SORP (FRS 102)).

The Finance Sub-Committee and Executive Committee have reviewed cash flow projections and budgets for 2 scenarios to 31 March 2027. The first is an extension to the FCDO programme and funding from March 2024, and the second, no extension and therefore greater reliance on the CVRC members and the League's own funds. 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.

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

## **Notes to the financial statements For the year ended 31 March 2023**

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

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

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.

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

### 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.

### 2 Comparative Statement of Financial Activities – year ended 31 March 2022

	Unrestricted funds	Designated funds	Restricted funds	Total funds 2022
	£	£	£	£
<b>Income</b>				
<b>Donations and legacies</b>				
Donations, grants and appeals	664,282	-	596,256	1,260,538
FCDO grant	-	-	2,843,710	2,843,710
Legacies	-	-	-	-
<b>Income from investments</b>	16,244	4	32	16,280
<b>Total income</b>	<u>680,526</u>	<u>4</u>	<u>3,439,998</u>	<u>4,120,528</u>
<b>Expenditure</b>				
<b>Expenditure on raising funds</b>				
Fundraising costs	47,397	-	-	47,397
Poppy supplies and freight charges	35,305	-	-	35,305
	<u>82,702</u>	<u>-</u>	<u>-</u>	<u>82,702</u>
<b>Expenditure on charitable activities</b>				
RCEL welfare grants	680,637	17,804	603,618	1,302,059
FCDO grants	-	-	2,859,380	2,859,380
<b>Total expenditure</b>	<u>763,339</u>	<u>17,804</u>	<u>3,462,998</u>	<u>4,244,141</u>
<b>Net (expenditure) before investment gains</b>	<u>(82,813)</u>	<u>(17,800)</u>	<u>(23,000)</u>	<u>(123,613)</u>
<b>Gains on investment assets</b>	72,858	-	-	72,858
<b>Net (expenditure) before transfers</b>	<u>(9,955)</u>	<u>(17,800)</u>	<u>(23,000)</u>	<u>(50,755)</u>
<b>Transfers between funds</b>	(37,000)	37,000	-	-
<b>Net movement in funds</b>	<u>(46,955)</u>	<u>19,200</u>	<u>(23,000)</u>	<u>(50,755)</u>
<b>Total funds brought forward</b>	<u>1,764,461</u>	<u>119,468</u>	<u>146,540</u>	<u>2,030,469</u>
<b>Total funds carried forward</b>	<u>1,717,506</u>	<u>138,668</u>	<u>123,540</u>	<u>1,979,714</u>

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

### 3 Donations, Grants and Appeals

	Unrestricted funds	Designated funds	Restricted funds	Year ended 31 Mar 2023 Total funds
	£	£	£	£
Affiliation fees	260	-	-	260
Donations from Member Organisations	240,000	-	-	240,000
Donations in kind from Member Organisation (see note a)	60,346	-	-	60,346
Contributions from external funds to administration (see note b)	34,222	-	-	34,222
Other donations	352,022	-	524,837	876,859
	<u>686,850</u>	<u>-</u>	<u>524,837</u>	<u>1,211,687</u>
	<u><u>686,850</u></u>	<u><u>-</u></u>	<u><u>524,837</u></u>	<u><u>1,211,687</u></u>
	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>
	<u><u>664,282</u></u>	<u><u>-</u></u>	<u><u>596,256</u></u>	<u><u>1,260,538</u></u>

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

	Year ended 31 Mar 2023	Year ended 31 Mar 2022
	£	£
Donation of lapel poppies	14,322	31,222
Free office accommodation and services	46,024	45,437
	<u>60,346</u>	<u>76,659</u>
	<u><u>60,346</u></u>	<u><u>76,659</u></u>



# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

### 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 2023	Year ended 31 Mar 2022
	£	£
Royal Air Force Benevolent Fund	6,191	18,214
Royal Navy Benevolent Trust	5,156	3,557
ABF The Soldiers' Charity	20,000	20,000
The Officers' Association	2,875	20,000
	<u>34,222</u>	<u>61,771</u>

### 4 Income from investments

	Unrestricted funds	Designated funds	Restricted funds	Year ended 31 Mar 2023 Total funds
	£	£	£	£
Dividend income	16,541	-	-	16,541
Interest on fixed deposit	4,203	-	-	4,203
Other bank deposit interest	2,365	62	1,759	4,186
	<u>23,109</u>	<u>62</u>	<u>1,759</u>	<u>24,930</u>

	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>

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

### 5 Fundraising costs

	Year ended 31 Mar 2023	Year ended 31 Mar 2022
	£	£
Direct fundraising costs	216	6,172
Support costs (see note 8)	51,882	41,225
	<u>52,098</u>	<u>47,397</u>
All amounts relate to unrestricted funds in both years.	<u><u>52,098</u></u>	<u><u>47,397</u></u>

### 6 RCEL welfare grants

	Unrestricted funds	Designated funds	Restricted funds	Year ended 31 Mar 2023 Total funds
	£	£	£	£
Funds administered and disbursed on behalf of other charities	-	-	464,783	464,783
Grants to Member Organisations	437,208	-	33,141	470,349
Project grants	-	-	2,422	2,422
Welfare tour costs	21,338	-	-	21,338
Support costs (see note 8)	167,208	102,661	-	269,869
	<u>625,754</u>	<u>102,661</u>	<u>500,346</u>	<u>1,228,761</u>

	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	175,154	17,804	107	193,065
	<u>680,637</u>	<u>17,804</u>	<u>603,618</u>	<u>1,302,059</u>

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

### 6 Welfare (continued)

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

	2023	2022
	Number	Number
From the Charity's own funds	4,114	4,580
Funds administered and disbursed on behalf of other charities (Agency work)	544	705
	<u>4,658</u>	<u>5,285</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 (GOI) Foreign Contribution Regulation Act (FCRA) 2010 and 2020, despite best efforts, RCEL continued to be unable to send funds to Indian beneficiaries. Following a meeting between GOI and the Deputy Grand President RCEL, the government confirmed that pensions are now being provided for all beneficiaries at a higher level than our grant and therefore support to India has now ceased. In addition, due to ongoing issues with governance, grants could not be sent to veterans in Tanzania this year and Tanzania has also been removed from the programme. 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 2023	Year ended 31 Mar 2022
	£	£	£	Total funds £	Total funds £
<b>Income</b>					
FCDO income - welfare	-	-	2,268,899	2,268,899	2,578,415
FCDO income - operational	-	-	283,499	283,499	265,295
	<u>-</u>	<u>-</u>	<u>2,552,398</u>	<u>2,552,398</u>	<u>2,843,710</u>
<b>Expenditure</b>					
FCDO welfare grants	-	-	2,155,161	2,155,161	2,492,888
FCDO other costs	-	-	386,783	386,783	366,492
	<u>-</u>	<u>-</u>	<u>2,541,944</u>	<u>2,541,944</u>	<u>2,859,380</u>

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

### 8 Allocation of support costs

	Welfare	FCDO other costs	Fundraising	Year ended 31 Mar 2023 Total funds	Year ended 31 Mar 2022 Total funds
	£	£	£	£	£
Staff costs (see note 9)	126,403	292,499	20,538	439,440	427,926
Conferences & meetings	94,075	30,875	12,828	137,778	46,184
Office accommodation & services	23,786	13,519	9,261	46,566	46,971
Travel & subsistence costs	1,057	27,908	56	29,021	18,717
Other costs	5,873	1,912	-	7,785	15,634
Legal costs	7,618	(1,350)	3,752	10,020	9,937
Auditor's remuneration					
- Audit	3,169	4,770	1,561	9,500	9,744
- Other services	3,867	15,249	1,905	21,021	20,874
Annual report	4,021	1,401	1,981	7,403	4,795
<b>Total</b> (see notes 5 and 6)	<b>269,869</b>	<b>386,783</b>	<b>51,882</b>	<b>708,534</b>	<b>600,782</b>

Governance costs comprise audit and accountancy fees and the cost of preparing the annual report; these total £37,924 (2022: £35,413). 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 2023 Total funds	Year ended 31 Mar 2022 Total funds
	£	£
Wages and salaries	303,390	298,908
Social security costs	33,805	30,877
Pension costs (see note 11)	29,019	28,908
Staff insurance and health care	13,943	11,198
Overseas project officers (contract staff)	59,283	58,035
<b>Staff costs</b>	<b>439,440</b>	<b>427,926</b>

The number of employees throughout the year was 11 (2022: 10)

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

### 9 Staff costs (continued)

One employee received emoluments of between £80,000 and £89,999 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 2023 were £231,221 (2022: £218,360).

### 10 Trustees

No Trustees received any emoluments during either period.

During the period 2 (2022: 3) of the Trustees were reimbursed for travel expenses, totalling £333 (2022: £621).

### 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 £29,019 (2022: 6 staff with contributions of £28,908).

### 12 Intangible fixed assets

	Website £
<b>Cost</b>	
Balance at 1 April 2022 and 31 March 2023	2,063
<b>Depreciation</b>	
Balance at 1 April 2022 and 31 March 2023	2,063
<b>Net book value</b>	
At 31 March 2023	-
At 31 March 2022	-

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

### 13 Investments

	2023	2022
	£	£
At 1 January	1,550,199	1,660,943
Additions	20,864	16,398
Disposals	(175,000)	(200,000)
Realised and unrealised gains on portfolio	(22,932)	72,858
	<u>1,373,131</u>	<u>1,550,199</u>
Market value at 31 March	<u>1,373,131</u>	<u>1,550,199</u>
Historical cost	<u>486,596</u>	<u>640,732</u>

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

### 14 Debtors

	2023	2022
	£	£
Accrued interest	-	835
Prepayments	9,573	13,193
Other debtors	3,830	-
	<u>13,403</u>	<u>14,028</u>

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

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

	2023	2022
	£	£
Taxation and social security	10,294	9,310
Accruals	23,129	42,868
Deferred income	15,000	15,000
Other creditors	1,838	2,415
	<u>50,261</u>	<u>69,593</u>

### 16 Unrestricted funds

	At 1 April 2022	Income	Expenditure	Gains on investments	Transfer between funds	At 31 Mar 2023
	£	£	£	£	£	£
Accumulated fund	<u>1,717,506</u>	<u>709,959</u>	<u>(692,289)</u>	<u>(22,932)</u>	<u>-</u>	<u>1,712,244</u>

	At 1 Jan 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>

## The Royal Commonwealth Ex-Services League

### Notes to the financial statements For the year ended 31 March 2023

#### 17 Designated funds

	At 1 Apr 2022	Income	Expenditure	Transfer between funds	At 31 Mar 2023
	£	£	£	£	£
Conference Fund	135,937	-	(102,661)	-	33,726
Staff Contingency Fund	2,731	62	-	-	2,793
<b>Total</b>	<b>138,668</b>	<b>62</b>	<b>(102,661)</b>	<b>-</b>	<b>36,069</b>

	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
<b>Total</b>	<b>119,468</b>	<b>4</b>	<b>(17,804)</b>	<b>37,000</b>	<b>138,668</b>

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 2025 will be held in Ottawa, Canada requiring funds to be set aside between Conferences to fund the event.

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 2023

### 18 Restricted funds

	At 1 Apr 2022	Income	Expenditure	At 31 Mar 2023
	£	£	£	£
FCDO	(8,908)	2,552,398	(2,541,944)	1,546
The Askari Appeal	54,778	3,415	-	58,193
Prince Philip Lodge Fund	163	-	-	163
Auchinleck Appeal	21,771	5,392	(5,000)	22,163
Legacy: Indian Army Association	31,031	-	-	31,031
TRBL Women's Section	11,788	-	(449)	11,339
Queen Mary's Roehampton Trust	-	20,000	(20,000)	-
African Veterans	2,422	-	(2,422)	-
M St J Way Charitable Trust	-	30,000	-	30,000
Funds administered on behalf of other charities (agency work)	10,495	465,098	(464,783)	10,810
Other restricted grants	-	7,691	(7,691)	-
	<u>123,540</u>	<u>3,083,994</u>	<u>(3,042,289)</u>	<u>165,245</u>

	At 1 Apr 2021	Income	Expenditure	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>123,540</u>

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

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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. In autumn 2022, as reported earlier, FCDO awarded a further £646,000 of funds for the balance of the Programme taking the total to £12.3 million across the 5 years.

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. It has been agreed that these funds will now be focused in Lesotho as India is no longer being supported.

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 Pakistan and Uganda.

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 2023

### 19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2023 £
Intangible assets	-	-	-	-
Investments	1,373,131	-	-	1,373,131
Current assets	389,374	36,069	165,245	590,688
Current liabilities	(50,261)	-	-	(50,261)
	<b>1,712,244</b>	<b>36,069</b>	<b>165,245</b>	<b>1,913,558</b>
	Unrestricted funds £	Designated funds £	Restricted funds £	Total funds 2022 £
Intangible assets	-	-	-	-
Investments	1,550,199	-	-	1,550,199
Current assets	236,900	138,668	123,540	499,108
Current liabilities	(69,593)	-	-	(69,593)
	<b>1,717,506</b>	<b>138,668</b>	<b>123,540</b>	<b>1,979,714</b>

### 20 Funds held on behalf of Member Organisations

At 31 March 2023 the League held bank balances on behalf of 5 Member Organisations totalling £100,282 (31 March 2022: £98,866). 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 year:

	31 Mar 2023 Total funds £	31 Mar 2022 Total funds £
The Royal British Legion annual donation	240,000	240,000
The Royal British Legion (see note 4a)	60,346	76,659

# The Royal Commonwealth Ex-Services League

## Notes to the financial statements For the year ended 31 March 2023

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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.