

# ANNUAL ACCOUNTS

2021 – 2022



**ROYAL BRITISH LEGION INDUSTRIES LIMITED**  
TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2022







“RBLI has remained **focused** on bringing our services back to full capacity and **investing** further.”

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# CHAIRMAN AND CHIEF EXECUTIVE'S REVIEW

During the financial year 2021/22, the charity focused on recovery from the pandemic. We are very pleased to report that most of Royal British Legion Industries (RBLI) activity is now back to pre-pandemic levels.

This year the charity has demonstrated its resilience and ability to adapt to challenging circumstances, this is thanks to the incredible creativity and dedication of our teams and their ability to tailor our services for those most in need.

The impact of the pandemic on our beneficiaries, whether older veterans, working-age veterans, or people with disabilities, has been profound. The periods of social isolation caused mental health crises, relationship breakdowns, job instability and further impacted physical health, mobility and fitness. Throughout the year, the charity has remained focused on bringing our services back to full capacity and investing in them further, to ensure we can deliver the best service and outcomes to those we care for.

The pace has remained with the expansion of the Centenary Village and we are very proud of the investment in much-needed adapted-homes, assisted living and new family homes. At the end of the financial year, following a challenging construction schedule, 40 new homes were watertight, all with utilities and only awaiting their fixtures and fittings.

At the same time as our much-needed expansion works, the charity also completed the total re-construction of our 50-bed high-dependency care home. Now the charity provides specialist dementia

care services, in a homely and vibrant setting and has created much larger social spaces so that it is easier for families to visit. Over the past five years the charity has invested £10m in our care provision and our care teams have worked harder than ever to help the residents stay safe and mobile, and to create a truly stimulating living environment.

It has been a considerable achievement to deliver all of this through a global pandemic and at the same time add dementia care to our services. We are rightly proud to say that we offer the full care pathway in a single location as this is something that is rare and very special.

During the year our Social Enterprises, Britain's Bravest Manufacturing Company (BBMC) and Scotland's Bravest Manufacturing Company (SBMC), performed admirably during an extraordinarily difficult economic climate. Despite an environment in which industry was hesitant to commit and with fluctuations in global and domestic supply chains and material costs, both enterprises

have continued to win new business, even launching a new Highways Challenge in 2020 to engage with new customers in this sector.

Not only did they deliver on their commitments to high-profile customers, such as Network Rail and Bear Scotland, but they also worked hard to bring businesses together, holding roundtable events to influence industry leaders and entire supply chains to buy products from social enterprises. Such activities have resulted in deepened relationships with partners and strengthened RBLI's ability to be a voice for disability employment during this time.

Our Lifeworks programme, Access to Work and our back-to-work programmes continued to use video calls and virtual coaching methods in order to help people gain work or stay in work. Clearly this is not the same as supporting our beneficiaries face to face, but it is infinitely better than vulnerable and disadvantaged people managing difficult

“At many times we were reminded that this expertise is **lifesaving**.”

employment situations and precarious financial situations, alone. A blended approach to delivery of our core expertise has meant that we were able to continue to reach veterans in Wales, the North East and the Highlands, whenever or wherever they found themselves needing support.

Our fundraising activity continues to adapt and has had a successful year as a result. RBLI marked the VE Day anniversary with a cycle ride that covered the length of the country and honoured WW2 veterans all the way. This was our tribute to “the remarkable generation” who served their country like no other. As overseas travel was still impossible for many, we adapted our Menin Gate cycle ride to create an event that reached the Cyclists' War Memorial in Meriden. Our Tommy Club Founding Patron, Ash Alexander Cooper, even ran a Marathon while he was quarantined in an Australian hotel!

We are also very grateful to our former Chairman Stephen Kingsman who donated a Mini Cooper so we could trial a raffle for the first time – something that worked both online and at the superb venues of our partners Shepherd Neame.

We are incredibly grateful to our supporters who, like us, remained focused on the mental health and wellbeing of our beneficiaries. We are more conscious than ever of the importance of our expertise in helping people re-discover their purpose whether we are supporting homeless veterans, older people coping with grief, or people forced to change their work due to injury or health conditions. At many times and with people of all ages and backgrounds, we were reminded that this expertise is lifesaving. We are currently in the process of setting out our strategy for the next five years, and the experience of the pandemic and the recovery will inform this strategy significantly.



# CHAIRMAN AND CHIEF EXECUTIVE'S REVIEW

## Continued

We are grateful to the partners whose flexibility and understanding meant we could deliver on our Centenary Village expansion. We must thank ABF The Soldiers' Charity, The Royal Engineers' Association, Greenwich Hospital and Annington especially for bringing donations forward, and all the supporters of the new Centenary Village for their unwavering commitment to the project. We are also incredibly grateful to the supporters that included The Veterans' Foundation, The Lawson Trust and BAE Systems who saw the urgency for Move On homes and made the decision to support.

We are especially indebted to The Lord Colgrain, who in June, established a new Kent Campaign Board, specifically to help us deliver on The Centenary Village fundraising campaign. Lord Colgrain not only saw a need to engage more locally but galvanised an excellent group of senior volunteers who secured £600,000 in 6 months. Michael Head, who sadly passed away in 2021 and is greatly missed, was critical to this success, bringing his enthusiasm, energy, generosity and creative thinking just when it was needed the most.

It was positive for the charity that events could return during the year. Lord Colgrain was able

to host a dinner at the House of Lords. He was joined by General The Lord Dannatt GCB, CBE, MC, DL, President of RBLI's Tommy Club, and Baroness Goldie DL, who shared their formidable knowledge and experience in the defence sector as well as their heartfelt determination to help RBLI reach the most vulnerable veterans wherever they are in the UK. Our campaign Patron General Sir Gordon Messenger KCB DSO\* OBE was able to host receptions for the campaign once again and we were able to be part of a beautiful inter-faith remembrance service at Lambeth Palace. Through our partnership with Leyton Orient Football Club, our veterans were able to get back to enjoying sports events and the Tommy Club was promoted throughout the season thanks to the generosity of the Kane family.

The fundraising performance was strong on mass-participation events too, with The Great Tommy Sleep Out a resounding success. From the Chairman's own Sleep Out to the participation of schools, families and cadets, the commitment to supporting homeless veterans on RBLI's Village was immense. The Tommy 10K also garnered nationwide support and was launched with a stunning circuit of the deck of HMS Prince of Wales.

The online shop continues to evolve and develop new products and grow our supporter base. We have invested in new engraving equipment to make this possible, enabling our veterans to learn new skills with both manufacturing and online retail processes. We are grateful to our partners Barratt Developments who supported our Women in War figures and to The Lord Lieutenant of Kent, who helped us promote our corten-steel plaques for the Queen's Green Canopy Platinum Jubilee initiative.

2021/22, has been a period of great change in the charity's leadership team with Steven taking on the role of Chair and Lisa taking over as the Chief Executive. The new leadership has picked up the baton with tremendous energy. By remaining focused and being quick to adapt, this new team has led an accelerated recovery from the pandemic and continued the investment into services, new facilities and exciting partnerships.

As we start a new financial year and whilst we have shown a solid recovery, the ramifications of the pandemic are still being felt. We have invested heavily and, consequently, the charity's unrestricted financial reserves are low. Our designated operating reserves at £5m are

now equivalent of 3 months' operating expenditure. Our General Unrestricted Funds have reduced to £2.8m (20/21 £5.2m). This means our attention on cost control will be necessarily vigilant and our position this year understandably cautious.

However, as we support more veterans, with at least 40 more veterans moving on to the Village this summer, many overcoming significant loss, trauma and self-harm, we do have to expand our welfare team and continue to improve our governance function. The move-on and transition opportunities are exciting, as are the new dementia services, but these demand larger care and welfare teams in place to enable positive outcomes.

Our Centenary Village expansion project remains our core priority and, in parallel, our growing Tommy brand is evolving our Charity in all the right ways, reaching and connecting with beneficiaries and supporters alike.

We would like to thank everyone, once again, for supporting RBLI so generously throughout the past financial year and we very much look forward to even more successful Tommy events in the year ahead.



**STEVEN ROWBOTHAM**  
RBLI Chairman



**LISA FARMER**  
RBLI Chief Executive

12 August 2022





# REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2022

## Strategic Goals

During the Financial Year to March 2022, we have continued to deliver on our strategic goals with real vigour and resilience against the backdrop of navigating through the ongoing challenges relating to the pandemic.

Key achievements include:



The continued development of Centenary Village, which will see RBLI provide a home to hundreds more veterans every year. With the second phase of construction due to complete in July 2022, we are continuing to raise funds to commence the third and final stage of development.



Building the Tommy brand, which is now recognised as a national veteran symbol, representing RBLI's leading support of military veterans and their families.



Building on the gains made by all divisions as they recover from the economic and social impact of the pandemic.



Increasing the footprint of RBLI's social enterprises as industry leaders in their respective areas of operation.



Tailoring our care and welfare services to manage mental health challenges caused by the pandemic, ensuring we can support those with the most intense and varied needs.

OUR ACHIEVEMENTS ARE DELIVERED THROUGH A **DIVERSE RANGE OF SERVICES** AT RBLI'S VILLAGE, THROUGH OUR **EMPLOYMENT SOLUTIONS** AND OUR **SOCIAL ENTERPRISES**.

## RBLI Village

RBLI offers homes to veterans of any age and any background, supporting veterans of all three services. RBLI provides high-dependency and extra care, as well as independent homes, including specially adapted apartments for veterans with disabilities. Admissions to RBLI's accommodation are prioritised by need and RBLI's unique community and holistic services are most beneficial in supporting those with multiple needs. On top of the variety of homes, which include emergency accommodation for homeless veterans, the Village also has a community café, large training centre and community garden. An integrated welfare programme called STEP-IN co-ordinates excellent nursing and care, welfare benefits and welfare support, along with direct employment, job seeking advice and meaningful activity. During the year, the STEP-IN programme has been vital in helping residents maintain social connection, mobility, vocational interests and sensory experiences through the periods of lockdown.

Our nationally delivered employment support programme, LifeWorks, has also now successfully returned to face-to-face delivery following postponement due to the pandemic. The programme specialises in supporting those who face the most significant barriers to employment and we are proud that it has been able to return.

## Employment Solutions

RBLI's Employment Solutions division utilises RBLI's employment support expertise in areas perhaps not typically associated with us as a military charity.

Through the delivery of the Department for Work and Pensions' Access to Work programme and Building Better Opportunities, supported by the European Social Fund National Lottery Community Fund, the department boasts a sizeable reach totalling more than 7,000 individuals.

Over the past 12 months, the Employment Solutions division has consistently met KPIs in the delivery of these contracts – importantly at a time when face-to-face delivery of the programme was restricted or unavailable.





## Britain's Bravest Manufacturing Company (BBMC)

BBMC continues to provide entry-level work experience as well as more specialised roles in road, rail and commercial signage production and the manufacturing of wooden products, such as pallets, print, mail and fulfilment services.

The social enterprise has continued to showcase tremendous flexibility as industry emerges from the pandemic. Domestic and international raw material costs have fluctuated significantly over the past 12 months, requiring additional supply processes, yet, despite this, BBMC has brokered new relationships and worked more closely with old partners to perform well over the past 12 months.

The factory's senior team has engaged with leaders from across industry – particularly the highways procurement space – to determine what more can be done by the sector to place a greater weighting on social value in their business choices. Such engagements have resulted in sizeable business opportunities, which will prove fruitful in the coming year.

## Scotland's Bravest Manufacturing Company (SBMC)

SBMC has continued its growth trajectory, forging new relationships and strengthening existing ones. The Glasgow-based factory has undergone significant development over the past year with significant investment in machinery, broadening its product offering in an effort to continue exploring new avenues of activity.

Following an operational review, SBMC has updated its employment model and is now able to provide full-time permanent contracts to a core team of Scottish veterans. In addition to this, the social enterprise can now deliver formal SQA-accredited qualifications for its team, bolstering their employee upskilling activities and become a more attractive proposition for other businesses in the long term.

The start-up social enterprise, which opened in 2018 remains on track towards its target to achieve break-even in year five from when it started trading.

## Looking forward

We anticipate that material cost instability will continue into 2022/23, which will affect our social enterprise's signs and pallet departments. To buffer the impact, we will continue to streamline our manufacturing processes without sacrificing quality, pass through costs where appropriate and increase efficiencies to offset potential increases in expense.

Meanwhile, the developing cost of living crisis will undoubtedly have an impact on individual charitable giving and the capacity for charitable participants to raise funds from their social circles. However, we will continue to mobilise and bolster our newly established online groups through our successful digital fundraising model which has been a significant revenue generation during the pandemic, while also expanding our live event offering which includes the Tommy 10k. Our national support club, The Tommy Club, will also launch its first match-funding campaign in 2022 and we will also participate in the Big Give event during the 2022 Christmas period.

The construction of Phase 2A of the Centenary Village development will complete this summer, allowing us to increase our village capacity by an additional 40 units and move disadvantaged veterans more quickly through our village progression model. We will continue to raise funds to complete the £22m development through consultation with our experienced and talented national and Kent campaign boards to continue to execute the large gift capital fundraising campaign.

Following the creation of a new post, Assistant Director of Governance and Compliance, we will continue to develop our Governance Framework. To accelerate this work, a Trustee-led review has commenced into the charity's care and welfare practices to further ensure staff, veterans and beneficiaries feel as safe as possible. This review, which is due to be completed in summer 2022, will inform a new strategy to further integrate the physical health, mental health and practical support we offer to disadvantaged and vulnerable beneficiaries.





# GOVERNANCE AND MANAGEMENT

“ We are **incredibly proud** of our online groups who have raised vitals funds for our charities. ”



## Governing Document

Royal British Legion Industries is a charitable company limited by guarantee and was set up on 3 September 1919, when it was called Industrial Settlements (Incorporated) Limited. It is governed by Articles of Association which were last amended in June 2018.

## Reference and Administrative Information

The Trustees in office during the year as at the date of this report, the Senior Leadership Team of the Charity, its principal places of business and its professional advisers, are set out on pages 63 and 64 of this report.

## Board of Trustees

The Board of Trustees is responsible for the overall governance and work of the Charity. The Articles of Association require that the Board of Directors consists of a minimum of two but not more than twelve Members of the Charity, excluding any ex-officio members of the Board. Trustees are formally appointed at the Annual General Meeting. Where a vacancy arises during the year, the Trustees can co-opt a new Trustee, who will then be formally appointed at the following Annual General Meeting.

Newly elected Trustees are given induction training on their duties and responsibilities as Members of the Board of Trustees. This includes, although is not limited to, provision of key documentation such as Articles of Association, reports and financial statements and details of divisional work streams. In addition, on-boarding visits to the various Royal British Legion Industries sites are undertaken at which introduction meetings are held with key members of staff.

The Board governs the Charity within its Articles of Association and in line with its charitable objectives and values. The Board

provides overall policy direction and the management of the Charity is delegated to the Chief Executive and through to the Senior Leadership Team. The Board meets quarterly and papers are made available prior to Board Meetings including business plans and budgets. Finance reports are reviewed by the Trustees at each Board meeting.

The Trustees confirm that reference has been made to the guidance contained in the Charity Commission's guidance on public benefit of the Charities Act 2011, when reviewing the Charity's aims and objectives and in planning future activities. The Trustees and Senior Leadership Team are involved in strategic planning and their recommendations are then considered by the Board.

The Trustees are satisfied that the current and planned activities will continue to align and meet the public benefit requirement as outlined in the Charities Act 2011, namely through the promoting of community interests and assisting disabled people.

In addition to the quarterly Board Meetings, the Trustees also meet

annually for a strategic review and planning day. The Board reviews existing operations of the Charity and considers strategic options for the future. In addition to this, the Board also considers its own effectiveness and practices.

This year RBLI has formally established a Governance and Compliance department to lead on all company secretariat matters, policies and procedures framework, data protection and legal and regulatory Compliance.

A new Finance, Performance and Remuneration Committee was also formally constituted in the year. The terms of reference cover Financial Performance (including investment and reserves), Remuneration, Audit and Risk matters.

The Estates Development Committee considers and reviews the land and building matters and the Care and Welfare Committee considers all care and welfare matters across the Village.

A selected Trustee with the relevant skills chairs each Committee with all Committee recommendations submitted to the Board of Trustees for approval.

# GOVERNANCE AND MANAGEMENT

## Continued

### Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject

to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Remuneration and Recruitment

The Finance, Performance and Remuneration (FPR) Committee will review the annual pay review proposal for all employees including the Senior Leadership Team and make recommendations to the Board of Trustees.

When new members join the Senior Leadership Team, the Chairman or Vice-Chairman, in consultation with the FPR Committee, will approve the proposed remuneration package.

Where appropriate, employees with revenue targets benefit from a bonus system that rewards good performance. Details of the bonus payments made to members of the Senior Leadership Team are disclosed in Note 6 to the financial statements.

All staff are encouraged to join the current pension scheme which is a Defined Contribution scheme. The Charity contributes to the scheme and the contribution is determined by the individual employee contribution level.

RBLI operates an objective and cost-effective recruitment and selection process to ensure the appointment of the best people in accordance with RBLI's standard recruitment criteria.

We are an equal opportunities employer and can demonstrate this commitment to providing equal opportunities through an effective, regularly reviewed, Equal Opportunities Policy. It is our aim to attract and recruit people with diverse backgrounds, skills and abilities who will enhance the quality of the service and contribute to RBLI's success.

Candidates are not discriminated against and short listing is carried out against a set of defined criteria appropriate to the role. Consideration is given to any reasonable adjustments. Where RBLI is advised in advance of an interview by a candidate of any reasonable adjustments on the basis of a disability, every effort will be made to accommodate this request to ensure that no applicant is placed at a substantial disadvantage because of their disability.

The recruitment, development, promotion and treatment of employees, volunteers or job applicants shall be based solely on factors relevant to the job and performance and reasonable adjustment will be made in accordance with the Equality Act 2010.

RBLI recognises that our continuing success and the achievement of business objectives is dependent upon having a well-trained, competent and motivated workforce.

We are committed to learning and training that enables everyone to carry out their jobs to a high standard to both their personal and customer's satisfaction and to the achievement of business and care needs.

It is important to us that all employees have the necessary support and same opportunity for learning in RBLI. We do this in the following ways:

- Providing appropriate induction training for new entrants and transferring staff
- Identifying personal and organisational development needs and planning to meet those needs, both for now and into the future so that we can respond positively to change
- Ensuring competence in job roles with knowledge, skills and behaviour
- Develop a culture of participation and accountability
- Provide opportunities for positive action and implementation of equality through targeted, accredited where appropriate, staff development and training.

Staff with disabilities will be invited to identify any particular requirements they may have to enable them to participate fully

in all training and development events offered e.g. materials in alternative formats, sign language interpreters, ergonomic seating. RBLI is proud to be a Level 3 Accredited Disability Confident Leader.

RBLI aims to ensure that all employees are kept abreast of changes that not only affect them as individuals regarding their employment, but that they are also provided with wider information relating to the challenges and successful performance of the Charity. This information is disseminated through electronic and print notifications, employee forums and formal and informal team meetings. Examples of this include regular welcome days for new starters and annual Chief Executive informative roadshow events.

On an individual basis, RBLI places great store in the annual appraisal meetings that employees undertake with their line managers which highlights the success, challenges and personal objectives of employees and how these have a contributing factor to the financial success and growth of the Charity, in turn enabling more support for beneficiaries. On a wider scale, employee forum meetings are also used to discuss issues relevant to their division and to enable consultation with employees.



# GOVERNANCE AND MANAGEMENT

## Continued

### Trustees' duty to promote success of the Charity – Section 172 statement

Trustees have a duty to promote the success of the Charity under section 172(1) of the Companies Act 2006. As the Trustees of RBLI, we always act in good faith and would promote the success of the Charity for the benefit of its members as a whole and in doing so have regard, amongst other things to:

- The likely consequences of any decisions in the long term
- The interests of employees
- The need to foster the Charity's relationships with third-party stakeholders
- The impact of Charity's operations on the community and the environment
- The desire for the Charity to be best in class for providing support to beneficiaries and
- The need to act fairly and equally towards our members.

The Trustees of RBLI consider, both individually and together, that they have acted in good faith to achieve the above. The Trustees delegate day to day management and decision making of RBLI's operations to its Chief Executive and Senior Leadership Team. Trustees are members of various committees with senior staff in attendance at which regular operational updates are provided.

More strategic updates are provided at Board Meetings to ensure the Charity is on target to meet its strategic objectives to beneficiaries and the wider community.

### Engaging with our stakeholders

Through regular engagement with key stakeholders (other Charities, Local Authorities, Community Health Providers) we maintain an understanding of our beneficiaries' needs that informs how we design our services, objectives, policies, strategy and influencing goals. The decision-making process within both the Senior Leadership Team and the Board of Trustees considers the impact of potential decisions on relevant internal and external stakeholder groups.

### People in need

Our beneficiaries receive a wide array of support services and we employ differing methods of engagement and feedback mechanisms as appropriate. The beneficiaries working in our social enterprises have a staff forum, receive regular newsletters and briefings. Our veteran and family members on our employment programme, LifeWorks, have formal feedback sessions which include in-group sessions and post events feedback via a structured telephone call-back programme.

### Our Supporters

We continue to further develop our fundraising governance practices – particularly to support newly established online supporter groups brought about by our digital fundraising campaigns and Tommy Club activities.

During the year, we also moved to a new database communication system to better integrate our fundraising and online shop activity to ensure more efficient communication with our audiences.

We are incredibly proud of our online groups who have not only come together to raise vital funds for our charity but have actively combatted isolation amongst those in the group. Following the pandemic, a number of supporters have undergone prolonged periods of isolation and our new online communities provide a reassuring outlet.

We have also taken great pride in running our first ever raffle: Tommy's Mini Mission. We greatly value the advice of many – including the gambling commission – who helped us launch this successful campaign - another prime example of growing our valuable supporter base.

### Our commercial customers

We work in an open and transparent way, with all the customers who are involved with our two social enterprise operations. We are very proud indeed to work with well-known national names, who are giving veterans opportunities to work on prestigious and high-profile projects. During the year, we have been overwhelmed by the commitment and proactive support shown from our commercial customers – many have had extremely difficult challenges of their own to deal with, but never let their dedication to social value falter. We have even been able to continue organising disability awareness and social value sessions in partnership with key customers, such as Amey, Bear Scotland and Balfour Beatty. We work extremely closely with our customers to help them achieve their goals, including their veteran recruitment goals.

### Key leaders and other influences

RBLI works closely with key opinion leaders and influencers in both national and local Government and this work happens across all our varied activities and divisions. During the crisis we worked harder than ever to raise the profile of veteran mental health. Our veterans' survey, which showed the impact of isolation on veterans was

published at the same time as the Office of National Statistics reported that 30% of the UK population felt their mental health had been negatively impacted. We strive to work in partnerships with a wide range of other charities and we actively support the objectives of Cobseo and the Confederation of Service Charities, by participating in their cluster groups and also in key conferences sharing best practice, identifying need and collaborating on national campaigns. We are very proud to be a driver for increased collaboration in the military Charity sector and have been delighted to establish a new welfare relationship with The REME Charity. We are active members of the British Association of Supported Employment (BASE) and we work with DWP and other department/agencies to improve the employment opportunities of people with disabilities and health conditions. The design of our Centenary Village, with its integrated wrap-around services has been further recognised by leaders and influencers in planning as an exemplar in community creation.

### Our staff and volunteers

Our Senior Leadership Team conducts periodic surveys for staff and volunteers and assesses outcomes and actions. Our newsletters to staff have continued and the Chief Executive

operates an open-door policy every Friday afternoon as an opportunity for staff across the organisation to share their thoughts and feelings. In addition to this, the groundwork has been put in place to initiate a pan-organisational Employee Forum which will meet regularly to share ideas for improvement for both staff and the wider community.

These initiatives are supported by a culture of regular briefings and a policy of visible and open leadership. We are accredited with Investors in People (IIP) and this provides an independent source of feedback and appropriate action plans. Our employee forums in our social enterprises in Scotland and England are a shining example of excellent staff engagement. We have provided extra support to those with learning difficulties which has been particularly effective during the pandemic period.

As we emerge from the pandemic, RBLI has begun to put plans in place to reinstate our volunteering activity and we look forward to restarting this as soon as it is possible.

### Risk Management

The Charity maintains a Corporate Risk Register that is reviewed by the Board of Trustees at every Board Meeting. This is supported by risk registers at divisional level and operational risk assessments.

The Corporate Risk Register is updated regularly for events or





“ This place has  
changed my life. I’ve  
now got a purpose. ”

# GOVERNANCE AND MANAGEMENT

## Continued

issues that emerge and wherever possible alternative scenarios are evaluated. Relevant action plans/strategies are developed to help manage, reduce, or mitigate risk.

During the previous financial year, a revised risk management strategy was developed and work has continued throughout this year to embed and cascade our risk management approach across the organisation.

### Principal Risks and Uncertainties

As noted above, the Charity has a Corporate Risk Register that is reported and discussed at each board meeting. The principal risks as at 31 March 2022 include:

- **Adverse Financial Performance:** caused by either cost increases due to inflationary pressures, capital build programme overrunning or by lower than anticipated occupancy levels, manufacturing sales volumes or reduced investment returns. This risk is managed by reviewing key indicators through regular reporting with remedial action taken as required, including actively managing the cost base, delaying activity where feasible and boosting income generation opportunities.
- **High staff turnover and / or the inability to attract new talent:** This risk has increased with the active employment market emerging post-

pandemic having a resulting impact on operations and support services. This risk is managed through strong marketing campaigns to attract and recruit the right talent. The risk around retention is actively managed through our approach to staff engagement which includes promoting positive interaction with colleagues through open-door sessions, employee forums and making sure our colleagues feel valued for their hard work, commitment and dedication.

- **Health and Safety and Compliance Risk:** As we transition from the pandemic, we are focused on ensuring current levels of quality and safety are maintained with complete adherence to legislative and regulatory compliance. We continue to manage this risk through robust supervision, a comprehensive programme of training, inspections and audits, together with the monitoring of near misses and taking appropriate actions. Compliance risks are mitigated through robust employment processes that ensure the employment of competent staff, continual training in key areas such as GDPR and formal review processes such as audits.

### Directors' Indemnities

As permitted by the Articles of Association, the Directors/ Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Charity also purchased and maintained throughout the financial year, Directors' and Officers' liabilities insurance in respect of itself and its Directors/ Trustees.

### Disclosure of Information to Auditors

In so far as the Trustees are aware:

- There is no relevant audit information of which the Charity's auditors are unaware.
- The Trustees have taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

### Independent Auditors

A resolution proposing that BDO LLP be reappointed as auditors of the Charity was put to the Board at the Annual General Meeting and passed.



# OUR BOARD OF TRUSTEES



**STEVEN ROWBOTHAM**  
CHAIRMAN

Steve has a comprehensive background in the defence industry having worked in this sector throughout his career spanning over four decades. Steve is now a Non-Executive Director of General Dynamics UK Limited having previously been employed by the Company as Chief Operating Officer. He is a Trustee of Bovington Tank Museum where he chairs the Collection Committee and is also a business mentor to military veterans for the Charity Heropreneurs.



**FRANK MARTIN DL**  
VICE CHAIRMAN

Frank is a Deputy Lieutenant of Kent. He was formerly Chief Executive of Hornby Plc, Deputy Chairman of Dover Harbour Board and Chairman of Governors/Pro-Chancellor of Canterbury Christ Church University.



**NADRA AHMED OBE DL**

Nadra is a Deputy Lieutenant for Kent and is Executive Chairman of the National Care Association and is a regular contributor to media outlets nationally and internationally. In 2006, she was awarded an OBE for her work in social care over 30 years. Nadra holds numerous honorary roles in the charitable sector including Vice President of Hi Kent, Patron of Rockdale Housing and Kent Autistic Trust. She has worked in the field of Social Care for 40 years.



**BRIGADIER DAVID INNES**

David is now retired having spent 34 years serving in the British Army as a Royal Engineer and 15 years as a Chief Executive in the charity sector (primarily in Health & Social Care). He has also been a governor of Mid Kent College, chairman of an artisan training company and holds a number of other Trusteeships.



**KATHRYN CEARN'S OBE FCA FCCA**

Kathryn is a Chartered Accountant and non-executive director, mainly in the public sector. Among other appointments, she is on the board of the UK Supreme Court, the UK Endorsement Board and National Highways. She also Chairs the Office of Tax Simplification and is a Trustee for the Royal Mencap Society. She was previously on the External Audit Committee of the IMF, Chair of the Financial Reporting Advisory Board to HM Treasury and Chair of ICAEW Financial Reporting Committee.



**ALISTAIR WATSON**

Alistair served in the Royal Navy, during which time he was appointed Equerry to HRH the Prince of Wales and then worked in the City for a leading international law firm. In retirement he is a governor of two schools in central London and a Pilotlighter.



**BLAIR GULLAND**

Blair is a Consultant at Gulland Solicitors and has been a practising solicitor for over 45 years. He is also a Trustee of many other charities including Benenden Almshouse Charities and the Michael Yoakley Charity.



**SARAH MASON**

Sarah is a member of the Royal Institution of Chartered Surveyors, working for an award winning private house builder, having been an Associate Director in private practice previously, acting as a development consultant to the public and private sectors. She is a mentor to Cambridge University Land Economy Masters students and is part of the Development Committee at Medway Yacht Club.



**STEPHEN KINGSMAN DL**

Stephen is former Chair of the Denne Construction Group, which specialises in delivering affordable housing, regeneration schemes and care facilities, much like those offered by RBLI. His extensive history in charitable service has seen him in the role of Chairman of Canterbury Further Education College, Chairman of Kent Training and Enterprise Council as well as RBLI's former Chairman.





“We’re building a **community** which will support **veterans** for generations to come.”

## SENIOR LEADERSHIP TEAM



**LISA FARMER**  
CHIEF EXECUTIVE

Lisa Farmer was appointed RBLI's Chief Executive in February 2022 having originally joined RBLI as Director of Strategic Development in October 2015. With over 20 years of commercial experience including fundraising, marketing and business development. Lisa has led on many commercial development initiatives including Loughborough University's £40m fundraising campaign, Birmingham Gas Street Basin and two capital fundraising campaigns at Young Epilepsy.



**JAG DOSANJH-ELTON (Resigned 31 July 2022)**  
DIRECTOR OF FINANCE AND CORPORATE SERVICES

Jag has over 20 years of experience in senior finance positions having worked across multiple sectors from publishing and energy to property and healthcare. Prior to her role at RBLI, Jag worked for Golding Homes, Anstey Horne, Gemserv Limited and The Economist Group. Jag sits on the board of several organisations, including the Chartered Institute of Legal Executives (CILEx) and the Social Investment Business; all positions underpinned by a commitment to creating an inclusive society and delivering social impact.

Following Jag Dosanjh-Elton's resignation, **RICHARD JAMES** was appointed Interim Director of Finance.



**WILL CAMPBELL-WROE**  
DIRECTOR OF CARE AND WELFARE

Will Campbell-Wroe has 20 years' experience in the housing and charity sectors specialising in designing, securing funding for and delivering services that support people to be independent and actively contributing to their local community. Will, holds Masters' Degrees in both Social Research and Housing and Social Policy, has a strong track record in developing innovative services that are designed and delivered to an extremely high standard.



**MICHELLE FERGUSON**  
MANAGING DIRECTOR OF SOCIAL ENTERPRISES

Michelle has led and delivered impactful change and growth within national and international businesses as Director and Managing Director. Michelle was appointed Director of Scotland's Bravest Manufacturing Company in 2018 and in 2021 was promoted to Managing Director of RBLI's UK Social Enterprises. Michelle is a champion of Social Enterprises and regularly speaks at National and International Conferences on the importance of delivering value to society through public and private sector procurement. Michelle also sits on the board of Renfrewshire Chamber of Commerce.



# DIRECTORS' REPORT

As the country continues its emergence from the Covid-19 pandemic, RBLI has moved forward on a positive footing to continue to deliver on our nationally significant projects and further specialise in our support for those who urgently need our help.

The charity continued with its primary focus which has served it so well over the recent challenging periods: to protect our people, protect our finances and deliver on our purpose. Now, with lockdown having long been lifted, RBLI has been able to return to activity levels pleasingly close to pre-pandemic levels and with exciting opportunities on the horizon.

During the year, the Board formally adopted the Charity Governance Code. A training programme is currently being developed to ensure staff across the organisation understand the principles of the code. The Board will undertake regular self-assessments against the Charity Governance Code to develop high standards of governance.

## Measuring success

The RBLI Village offers care and support to veterans of any age or background from across the three services. We have invested significantly in our care services over the past few years and now have a fully integrated care pathway across the RBLI Village; from low-level social care to high-needs care, dementia and, if needed, end-of-life care. This pathway ensures that veterans and their families can be cared for within RBLI's Village and can move flexibly between different

settings as their needs change while retaining relationships with families, their peers, friends and staff on the village. The ethos for all our care settings is to support our residents in enjoying life and be as active, creative and independent as possible. To achieve this alongside our care work, we provide a range of activities and events for the people in our homes and for their loved ones. As we emerge from the restrictions of the pandemic, we look forward to continuing to widen our activities and community engagement to pre-Covid levels.

Our holistic support programme, STEP-IN, continues to provide support to veterans of all ages to help them avoid homelessness and to take steps to living independently in the future. We provide a range of emergency, disabled-adapted and general needs accommodation for veterans, all with integrated support. Rather than tackle just the immediate housing need, we work with veterans to understand and tackle the root causes and put practical support in place across mental and physical health, relationships, finance, wellbeing, volunteering and employment and a range of community and purposeful activity to support themselves and the wider RBLI Village community.

“This development ensures RBLI can **support military veterans** no matter their age or the challenges they face.”

As well as the accommodation and support, the village offers gardens, allotments, a training centre, sports hall, community café and health facilities. We work closely with a range of local and national organisations both in the veteran and wider community sectors. We are proud that, as a result, the village has a real sense of community which is palpable to our residents, staff and visitors alike.

## Fundraising priorities and policies

Construction of the most significant development in our more than 100-year history, the Centenary Village, has continued at pace. Phase 2 of the £22m development, which when complete will comprise family homes, specially adapted apartments, assisted living accommodation and a community centre with a state-of-the-art gym, is due for completion in August 2022.

While big gift giving for the capital fundraising campaign remains challenging, given the economic impact of the pandemic, the finish line is firmly in sight. We now have less than £2m to raise of our original target to complete the development. With inflationary pressures steeply increasing

we will undoubtedly need to raise funds in excess of the £2m to successfully complete the development as planned.

Meanwhile, RBLI has completed our Aylesford village's full care pathway – the culmination of more than six years of consultation, analysis and implementation. The support available via our existing village, which comprises family homes, assisted-living accommodation and palliative care homes, has now been expanded. This year has seen the completion of the £4.2m Gavin Astor refurbishment (now known as Bradbury House), which has seen the home become a leading dementia facility in Kent. This development will ensure that RBLI is able to provide support to military veterans no matter their age or the challenges they face, while existing residents can also seamlessly move throughout the village care system as their needs increase.

RBLI is registered with the Fundraising Regulator and is signed up to the Code of Fundraising Practice. During the year, we received zero complaints in relation to fundraising. RBLI has an organisational policy and procedure in place for complaints, which is underpinned by local procedures and processes.

## Our Social Enterprises

Despite industry still reeling from market fluctuations caused by the pandemic, our two social enterprises, BBMC and SBMC, both performed admirably during what continued to be a challenging period.

The BBMC and SBMC signage teams both performed well over the past year, despite seeing significant changes in domestic and international raw material costs and overheads. However, through extensive market knowledge, close collaboration with customers across numerous sectors to combat price volatility, the business areas have managed to steer through the volatility, limiting the shortfall on financial targets set out the beginning of the year.

The BBMC signs team continued their work as sole providers of trackside signage for Network Rail as part of a multi-million pound contract, while the SBMC's signs team established new customers and strengthened existing relationships through the Scottish Government Supported Business Framework and Scotland Excel Framework, working with organisations such as BEAR Scotland, Sir Robert McAlpine, Forestry and Land Scotland and, most recently, Social Security Scotland. The



# DIRECTORS' REPORT

## Continued

team went above and beyond their ordinary activities, continuing their contribution to the pandemic response by manufacturing Covid-19 safety signage for NHS hospitals, The Prison Service and the Scottish Ambulance Service.

### Grant income

This year has also seen SBMC celebrate achieving SQA-approved status. Thanks to a £300,000 donation from the Forces in Mind Trust, veterans in the Scotland's Bravest team will now receive accredited training and formal qualifications, gaining practical and marketable work experience.

This will not only provide direct support to beneficiaries but will also make SBMC a substantially more attractive proposition for business partners due to the heightened skill of the team, thereby securing future revenue.

Glasgow Caledonian University will conduct an evaluation to examine the impact of veterans attaining such qualifications on long-term job prospects, work-readiness, employment and mental health.

SBMC's commercial model is predicated on continued investment in the factory to further veterans' opportunities

and prospective business. In recent years, SBMC has bought a state-of-the-art Flow Corp Water Jet Cutter which allows veterans to produce bespoke engineering products with virtually any material, as well as an IS8000XP engraver which allows such products to be personalised. These two investments alone have seen the veterans formally commissioned as the only social enterprises to produce commemorative plaques for the Queen's Green Canopy – a tree-planting initiative launched in line with Her Majesty's 2022 Platinum Jubilee.

The Scottish factory's employment model also underwent review – the result of which was a number of new full-time permanent contracts offered to a core manufacturing team of veterans who were previously on fixed-term contracts.

Meanwhile, having implemented new flexible processes to respond to changes in demand during the pandemic, BBMC's flexibility continued to prove fruitful as the country emerged from the lockdowns. The team had to respond to an urgent order to supply more than 120 signs to enable King's Cross station's East Coast Line project to be opened on time.

BBMC's Leatherhead site, which specialises in Print & Mail services and employs people with disabilities, has too had a strong year. It has expanded its product offering, creating a new textile development centre comprising textile and sewing machines allowing for the production of t-shirts, scarves and bunting.

Aylesford-based BBMC has worked hard over the last period to bring together industry leaders to discuss what more can be done in BBMC's areas of operation to further social value and provide greater opportunities. We hosted the CEOs and directors of major national infrastructure highways companies to discuss social value in procurement, where the organisations made a significant commitment to increase spend with BBMC.

### Transforming lives through work

RBLI's Access to Work (ATW) programme, delivered on behalf of the Department for Work and Pensions (DWP), turned in a very impressive year of results to March 2022. More than 6,800 people with disabilities, health conditions or other workplace barriers were successfully supported by our professional team in this last

year. The customer support team recorded outstanding performances for efficient contact and appointment booking, achieving 100% on one key indicator for four months out of twelve. The holistic needs assessment team managed to exceed 99% of reports being fit for purpose throughout the year, demonstrating the extraordinary level of quality delivered on scale. In addition, the team have supported DWP with developing a process for a dual-assessment type delivery, offering both face to face and virtual appointments, as well as providing design support for several proof-of-concept projects, in collaboration with DWP colleagues, including supported internships and supported businesses across the UK. With over 96% of customers satisfied with RBLI's ATW service, the strategy for this coming year is to continue to benchmark performance in this sector and strive to increasingly optimise the customer journey, through further digitalisation and transformation plans, to help even more people with disabilities through expert support in meeting the needs of our customers and beneficiaries.

RBLI's Employment Solutions division also saw successful delivery of the Building Better Opportunity Projects, supported

by the National Lottery Community Fund/European Social Fund. More than 60% of referrals exited the programme into work – the preferred route – or into training upon completion. This is especially impressive when considering that more than 55% faced barriers to employment due to disability.

RBLI's transformational employment support programme LifeWorks has also been busy supporting over 1,000 beneficiaries in the last year, whilst also developing new ways to support serving families and the tri-service veteran community. Having temporarily postponed the face-to-face delivery of the programme during the pandemic, we are proud to say that more than 80% of planned courses were successfully delivered during 2021, with cancellations only due to Covid-19.

We were delighted when our hard work was validated at an award ceremony last year hosted by the Ex-Forces in Business Awards. We won the 'Initiative of the Year Award' for our commitment to supporting veterans through the challenging times of lockdown and the Covid pandemic by rapidly switching our courses and support to an online provision. We have not

stopped there – we are now further developing what we offer through more flexible options such as bite size course modules for those in employment who are looking to change career but cannot spare four days to attend our residential courses.

To support this, we have dedicated online employment support via our employment HUB which helps to enhance our service by linking our beneficiaries directly to Armed services-friendly employers, who recognise the value that service personnel bring to an organisation. Our LifeWorks team are working closely with employers to forge partnerships with the LifeWorks programme. Our HUB which, can be found on our webpage, has a wide range of opportunities across all sectors and areas of the country and is being added to each week.

We are keeping a keen focus on our LifeWorks Families programme too, a national offer to support serving families and offer them all the added benefits that LifeWorks now includes. LifeWorks recognises that there is a pool of employment talent in this area that should be supported towards employment solutions that will fit around busy service family life.



# DIRECTORS' REPORT

## Continued

### Fundraising

During the pandemic, RBLI's community fundraising programme successfully adapted to a digital activity model, utilising the online space to mobilise supporters and generate revenue.

Over the past 12 months, RBLI has continued much in the same vein, relaunching successful campaigns such as the Great Tommy Sleep Out and the Tommy 10k. With in-person events being broadly cancelled during the pandemic, it was incredibly encouraging to see that our digital fundraising campaigns retained or surpassed the same participation levels as the country emerged from lockdown.

Community fundraising activity has also utilised third party events, such as the London Landmarks Half Marathon which in the last year saw 64 RBLI participants – double the year prior.

However, as the pandemic seemingly came to a close and the country opened up, RBLI did re-engage with physical events. In the run up to November 21, Lambeth Palace hosted a special Remembrance service in aid of RBLI's Tommy Club – our national supporters club which raises vital funds for military veterans.

Meanwhile, the charity also capitalised on a flourishing partnership with football club Leyton Orient, who identified a professional fixture and dedicated it as a Remembrance fixture. There, veterans and volunteers from across RBLI were mobilised outside the ground with collection buckets to take donations from attending fans.

Underpinning this successful fundraising activity is the strength of the Tommy figure – which has become a truly national symbol representing the sacrifice and support for, military veterans. Over the past year, this strength has only developed and conscious efforts have been made to further establish RBLI as the home of the Tommy. This has been no more the case than in the Tommy Club which now secures an almost 80% re-subscription rate after accruing thousands of supporters all over the UK.

### The online shop

After two years of operation, RBLI's online shop has become a consistent revenue generator for the charity. Following its 2020/21 success, which saw the shop attract a significant share of the market for VE Day products, the online shop has increased and diversified its product offering.

Through dedicated campaigns for the 40th anniversary of the Falklands War, 2021's Remembrance period and Her Majesty's Platinum Jubilee, the shop has been a driving force in RBLI's general business to customer product offering generating more than £700,000 in revenue.

This has not only provided vital income for the charity, it has also allowed for more dedicated support of the factory's beneficiaries through direct employment.

In accordance with our commitment to the environment standards, importantly, the shop has focussed on recyclable materials such as paper, corten steel, Foamex and Correx.

### Our environmental commitment

As a respected Charity which puts at its heart care for individuals by Improving Lives Every Day, not only do we need to ensure the wellbeing of our beneficiaries, but we also plan to go beyond this to ensure that all we do minimises our impact on the environment. As such, reducing our carbon footprint, waste and caring for the natural resources we own are all accepted and even expected ways that also Improve Lives Every Day.

Over the past 12 months, RBLI has been unwaveringly committed to the betterment of its environmental footprint. We have established an Environmental Management System and allocated roles and responsibilities to internal environmental leads, created a consumer and production register of factors that can potentially impact the environment and conducted an external gap analysis. This work has culminated into the achievement of the ISO14001 accreditation in June 2022.

Our methodology for reporting emissions is based upon those areas where we have operational control and are charged for energy consumption.

		21/22	20/21
		KWh (000)	KWh (000)
SBMC	Electricity	76	53
	Gas	341	413
Leatherhead	Electricity	12	11
	Gas	28	4
Aylesford	Electricity	655	677
	Gas	1,363	1,128
<b>Total</b>		<b>2,475</b>	<b>2,286</b>
Indirect Emissions (tCO <sub>2</sub> e)		493	457
Emissions per FTE		1.84	1.65

\* Gas KWH has been restated based on more accurate data.

\*\* Emissions per FTE have increased reflecting the increased usage in 21/22 following the return to business as usual activity post pandemic.

Emission calculations are derived from billing data. Where bills did not complete for a full year, an estimate based upon previous consumption, has been included.

Moving forward RBLI has set carbon-reducing targets as follows:

- Obtain a scope 2 emissions net neutral position for SBMC and BBMC Leatherhead– 2022
- Obtain a scope 2 emissions net neutral position for all RBLI Manufacturing – 2023
- Obtain a scope 2 emissions net neutral position for all RBLI – 2024
- Obtain a scope 3 net zero by for all RBLI – 2035.

Our baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. The baseline emissions are therefore the reference point against which our emission reduction can be measured.



# DIRECTORS' REPORT

## Continued

In 2021, a project was launched to establish an environmental management system and to ensure RBLI's carbon footprint was formally measured and improved. A challenge identified in the project is the need to improve carbon footprint data collection at source – this has been implemented as a priority and will certainly include Scopes 1 and 3. Gathering this data at RBLI is complex due to the diverse nature of the services, operations and charity activity, including the projects and enterprises across the RBLI Village, care facilities and homes, large manufacturing sites, national delivery programmes and ongoing construction work at our new Centenary Village.

However, we are committed to refining a robust reporting process and, to support this, an external environmental consultancy has been engaged to conduct a detailed carbon footprint baseline analysis and to help RBLI prepare its 2023 ESOS submission. This consultancy project is scheduled for July 2022.

Our Carbon Reduction Plan authorised by the CEO includes the Scope 2 figures and a commitment to report on Scope 1 and Scope 3. The activities already in progress are documented and a target of net neutral has been set for Scope 3 by 2035. The report does not yet contain a year-on-year percentage as this will be created with integrity, in accordance with the external consultants tangible reporting and advisories. RBLI has published the current Carbon Reduction Plan on our website alongside our environmental policy and commitment to the environment, to demonstrate both compliance and the programmes already in progress to achieve our carbon and emissions targets.



**STEVEN ROWBOTHAM**

RBLI Chairman

12 August 2022





# STRATEGIC REPORT

FOR THE YEAR ENDED 31ST MARCH 2022

## RBLI Activities

RBLI financial performance in 2021/22 has very much reflected the ebbs and flows seen across the country emerging from the pandemic generating income of £21.6m (20/21 £19.8m).

Green shoots have been seen in the recovery of fundraising activity which has been instrumental in continuing with our build of the Centenary Village with the second phase due to be completed in Summer 2022. We are immensely thankful for the Grant and Donations we have received from our donors and the fundraising activity undertaken by our supporters. This level of support has enabled the Charity to continue to extend its reach and strengthen the social impact we are able to deliver by providing more homes to vulnerable veterans.

At the latter end of the year, we have also successfully completed the refurbishment of one of our Care Homes which now includes the provision of specialist Dementia care suite. The refurbishment coupled with intermittent Covid-related lockdowns has resulted in lower occupancy levels in the year which has impacted our unrestricted income levels. Our Living activities generated total income of £5.2m compared to £5.3m in 2020/21.

Our Social Enterprises in Aylesford and Scotland have focused on rebuilding a steady momentum of post pandemic business. The financial performance in year has been impacted by material fluctuations in price and availability of raw materials such as timber and metal which has put pressure on securing supply chains and holding margins. We are focused on building longer term relationships with our key partners and customers to ensure we can continue to deliver large scale social impact through our enterprises.

In employment services we have re-launched our Lifeworks programme. This programme, supported by our partners including Barclays and Morrisons, helps veterans develop the skills and confidence to build a new career. The programme is focused on delivering outcomes and in the year we have helped hundreds of individuals on their path to employment. For all our employment services programmes we now use a blend of online and in person delivery methods making sure we adopt an approach that works best for participants.

Our total expenditure is equal to £20.6m (20/21 £18.8m).

The increase is partly reflective of the cost required to generate the increased income and partly

an investment to strengthen our governance and operating model.

Looking forwards to 2022/23 we are excited to welcome more residents onto our Village and into our newly renovated Care Home and into Centenary Village. We will also be making great strides into increasing the reach of our social enterprises. Being able to deliver more products manufactured by our beneficiaries across sectors and organisations helps to collectively increase our social impact and footprint. Undoubtedly, like other organisations, RBLI will have to navigate through a challenging economic climate with costs of delivering social impact materially increasing. With the continued commitment of our colleagues and donors and with careful financial stewardship, we will continue to increase the support we provide to a wide range of beneficiaries.

## Investment Fund

The Charity's investments are held to achieve balanced long-term growth. This year the Trustees decided to reposition our investment strategy from delivering a blend of income and capital gains to being entirely focused on delivering long term capital growth.

Performance of the Fund has been measured against a long-term target of CPI+3% per annum, however, as a result of the current economic situation this target is currently under review. The investment portfolio has achieved an annualised net return of 5.14% since inception and a net return of 6.74% in 2021/22. Performance is also measured against a bespoke benchmark that reflects the fund asset allocation.

No change to the investment fund has taken place during the year in terms of divestment or adding to the portfolio additional cash funds. The valuation of the portfolio has risen to £4.8m (20/21 £4.6m).

Investment powers are governed by the Memorandum and Articles of Association and permit the Charity's fund to be invested in a wide range of assets. The Board reviews fund performance at every Board Meeting. Management meets with our investment managers quarterly and the investment managers present and report to the board on an annual basis.

## Pension

RBLI operates two pension schemes, the Defined Benefit Scheme which was closed to new entrants in 2002 and a Defined Contribution Group

Personal Pension Scheme. RBLI participates in the Royal British Legion Staff Defined Benefit Pension Fund (the Fund), a multi-employer UK registered trust-based pension scheme. An actuarial valuation on the defined benefit is carried out every three years. The last actuarial valuation of the Fund was performed as at 1 April 2020 which revealed a funding shortfall of £24.0 million. RBLI therefore agreed to pay annual contributions with respect to the deficit equal to £161k per annum plus £51k per annum to cover the expenses of the fund. These contributions will continue until 2028 at which point RBLI will pay the lesser of £1.8m or the Scheme Actuary's assessment of the share of the Fund's deficit in respect of RBLI as at 1 April 2028.

The valuation is updated on an annual basis. The latest valuation showed an actuarial gain for the defined benefit pension of £1.5m with a net asset value of £140k (21/22 a net liability of £1.3m). This improvement has arisen due to several factors including changes in assumptions which has decreased the defined benefit obligation, a high investment return achieved on the assets and also due to the annual contributions that RBLI is making. However, as the Trustees do not have certainty that it would be recovered through reductions

in contributions, have decided against recognising the net asset value in the financial statements.

## Reserves

Overall, RBLI increased its funds by £2.7m (£1.5 pension liability reduction, £0.3m investment gain and £1m operational surplus) giving the Charity total funds of £29.7m. This is represented by an increase in Restricted Funds to £16.7m (20/21 £13.2m) which is partially offset by a decrease in Unrestricted Funds to £13m (20/21 £13.9m).

The reserve policy has been historically been to hold a sum of money as designated funds in two parts as follows:

- An operating reserve of £5m, which equates to approximately three months of operating costs
- A reserve equating to the forecast cost to RBLI for planned future projects and developments. This currently equates to £5m.

As a result of current economic challenges and to allow for the completion of the capital projects, the Board has reviewed the reserve policy and agreed to temporarily deviate from that. This has resulted in the depletion of cash reserves and the taking on of new debt.



# STRATEGIC REPORT

## Continued

The Board intends to return to the reserves policy as stated above, and plans are being put in place to effect this.

Land and buildings are shown on the balance sheet at historical costs with buildings shown net of depreciation. These assets have not been restated at market value. The one exception to this is the Vanguard Trust properties, that were transferred to RBLI, are shown at Market Valuation as at 2018. A professional valuation of the land transferred to the Charity in 1919 has not been undertaken. The Trustees believe that the market value is significantly higher than the negligible net book value reflected in tangible assets.

### Going Concern

The Trustees reviewed RBLI's plans and financial projections in March 2022. The impact of the pandemic on unrestricted operational activity together with the capital investment in Centenary Village and developing a new dementia suite is clearly visible in the reduction in our liquid reserves.

The next 12 months will be subject to a challenging economic environment with increasing inflation and interest rates. The completion of the dementia suite and second phase of Centenary Village will strengthen our income streams in the coming year, which will help buffer the impact of economic challenges.

The long-term financial strength

of the Charity is underpinned by the RBLI Village, a 75 acre site the market value of which is not wholly reflected in the £29m net asset position of the organisation. The Trustees are reviewing the Estate with a view to rationalising the portfolio through the disposal of non-strategic assets. Plans for certain disposals are advanced with others to be considered by the Board in 2022/23.

Over the short to medium term, the Charity has arranged financing facilities with £2.25m drawdown against our investment portfolio and a further £2m restricted loan from The Royal British Legion to support our restricted capital development activities. To ensure we continue to have access to sufficient liquidity over the short to medium term a further £5m term loan facility has been agreed with Barclays post year-end.

Having given due consideration to the financial position of the organisation and the operating environment, the Trustees are of the opinion that the Charity has sufficient resources to meet its liabilities as they fall due over the next 12-month period from the date the Financial Statements are signed.



**STEVEN ROWBOTHAM**

RBLI Chairman

12 August 2022





# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS AND TRUSTEES OF ROYAL BRITISH LEGION INDUSTRIES LIMITED

### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended.

We have audited the financial statements of Royal British Legion Industries ("the Charitable Company") for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the cash flow statements 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remain independent of the Charitable Company in accordance with the ethical requirements 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.

### Conclusions related 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 Charitable Company'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 Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. 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. 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 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.

### Other Companies Act 2006 reporting

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 and the Strategic 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 Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper and adequate 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, 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 determines 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 Charitable Company'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 Charitable Company or to cease operations, or have no realistic alternative but to do so.



# INDEPENDENT AUDITOR'S REPORT Continued

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

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management and those charged with governance regarding known or suspected instances of non-compliance with laws and regulation;
- reading minutes of those charged with governance; reviewing correspondence with regulatory bodies and from legal advisors to identify indications of non-compliance with laws and regulations;
- assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and

the detection and prevention of irregularities and fraud;

- determining whether the accounting policies and presentation adopted in the financial statements are in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice for Charities;
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments, with particular focus on unusual account combinations and postings by unexpected users or senior management;

- challenging the assumptions and judgements made by management for key estimates, in particular the valuation of investments and assumptions used to value the defined benefit pension scheme;
- incorporating unpredictability testing into our testing approach through the test of non-financial line item;
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the

further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charitable Company's Trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other

than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**JILL HALFORD**  
(Senior Statutory Auditor)

For and on behalf of BDO LLP,  
statutory auditor

London, UK

Date: 16 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).





“All donations,  
no matter how big  
or small, will make a  
huge difference to a  
veteran’s life.”

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2022

	Note	21/22 Unrestricted Funds £'000	21/22 Restricted Funds £'000	21/22 Total Funds £'000	20/21 Unrestricted Funds £'000	20/21 Restricted Funds £'000	20/21 Total Funds £'000
<b>Income from:</b>							
Donations and Legacies	2	1,048	3,741	4,789	865	2,441	3,306
<b>Charitable Activities:</b>							
Employment Solutions		1,975	251	2,226	2,055	539	2,594
Scotland's Bravest Manufacturing		1,187	208	1,395	851	312	1,163
Britain's Bravest Manufacturing		6,644	195	6,839	5,108	279	5,387
RBLI Living		4,890	326	5,216	4,703	597	5,300
Shop		695	-	695	1,364	-	1,364
<b>Total Charitable Activities</b>		<b>15,391</b>	<b>980</b>	<b>16,371</b>	<b>14,081</b>	<b>1,727</b>	<b>15,808</b>
Investment Income	3	65	-	65	89	-	89
Furlough Income		52	-	52	596	-	596
Gains (Losses) on sale of assets		290	-	290	-	-	-
<b>Total</b>		<b>16,846</b>	<b>4,721</b>	<b>21,567</b>	<b>15,631</b>	<b>4,168</b>	<b>19,799</b>
<b>Expenditure on:</b>							
Raising Funds	4	1,415	94	1,509	900	303	1,203
<b>Charitable Activities:</b>							
Employment Solutions	4	2,233	207	2,440	2,625	524	3,149
Scotland's Bravest Manufacturing	4	1,438	316	1,754	1,104	265	1,369
Britain's Bravest Manufacturing	4	7,845	192	8,037	6,213	228	6,441
RBLI Living	4	5,843	311	6,154	4,981	860	5,841
Shop	4	704	-	704	811	-	811
Total Expenditure	4	19,478	1,120	20,598	16,634	2,180	18,814
Net (Expenditure)/Income before Investment (Losses)/Gains		(2,632)	3,601	969	(1,003)	1,988	985
Gains on investments assets	8	274	6	280	545	26	571
<b>Net (Expenditure)/Income</b>		<b>(2,358)</b>	<b>3,607</b>	<b>1,249</b>	<b>(458)</b>	<b>2,014</b>	<b>1,556</b>
<b>Other recognised gains and losses</b>							
Actuarial Gain on defined benefit pension scheme	17	1,320	-	1,320	1,469	-	1,469
<b>Net movement in funds</b>		<b>(1,038)</b>	<b>3,607</b>	<b>2,569</b>	<b>1,011</b>	<b>2,014</b>	<b>3,025</b>
Fund balances brought forward at 1st April		13,891	13,154	27,045	12,880	11,140	24,020
<b>Fund balances carried forward at 31 March</b>	<b>15</b>	<b>12,853</b>	<b>16,761</b>	<b>29,614</b>	<b>13,891</b>	<b>13,154</b>	<b>27,045</b>

There were no other recognised gains or losses other than those stated above. The movement in funds are disclosed in note 16 to the financial statements.

All of the current year results above are derived from continuing activities. The notes on pages 44 to 61 form part of these financial statements.



## BALANCE SHEET

### AT 31 MARCH 2022

	Notes	21/22 £'000	20/21 £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	28,068	20,684
Investments	8	4,799	4,565
<b>TOTAL FIXED ASSETS</b>		<b>32,867</b>	<b>25,249</b>
<b>CURRENT ASSETS</b>			
Stocks and work in progress	10	1,341	740
Debtors	11	3,466	2,459
Cash at bank and in hand		-	3,710
<b>TOTAL CURRENT ASSETS</b>		<b>4,807</b>	<b>6,909</b>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft		(186)	-
Creditors – amounts falling due within one year	12	(3,613)	(3,850)
		(3,799)	(3,850)
<b>NET CURRENT ASSETS</b>		<b>1,008</b>	<b>3,059</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>33,875</b>	<b>28,308</b>
<b>LONG TERM LIABILITIES</b>			
Loan Financing		(4,261)	-
Defined benefit pension scheme liability	17	-	(1,263)
<b>NET ASSETS (including pension scheme liability)</b>	<b>15</b>	<b>29,614</b>	<b>27,045</b>
<b>THE FUNDS OF THE CHARITY</b>			
Unrestricted - Designated	16	10,000	10,000
Unrestricted - General	16	2,853	5,154
		12,853	15,154
Pension Reserve	17	-	(1,263)
Total Unrestricted Income Funds		12,853	13,891
Restricted Income Funds	16	16,761	13,154
<b>TOTAL CHARITY FUNDS</b>		<b>29,614</b>	<b>27,045</b>

The notes on pages 44 to 61 form part of these financial statements

The Financial Statements which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes were approved by the Board of Trustees on 12 August 2022 and were signed on its behalf by: -



**MR STEVEN ROWBOTHAM**  
12 August 2022



**MRS K CEARN**  
12 August 2022

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 MARCH 2022

	Note	21/22 £'000	20/21 £'000
<b>Net cash (outflow) / inflow from operating activities</b>	<b>23</b>	(222)	2,538
Investment Income		65	89
Net cash inflow from investments		65	89
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(8,279)	(3,097)
Receipts from the sale of fixed assets		290	-
<b>Net cash outflow from capital expenditure &amp; financial investment</b>		<b>(7,989)</b>	<b>(3,097)</b>
Cashflows from Financing Activities		-	-
New Bank Loans		4,250	-
<b>Net cash inflow from financing</b>		<b>4,250</b>	<b>-</b>
<b>Reduction in net cash</b>		<b>(3,896)</b>	<b>(470)</b>
Balance Brought Forward		3,710	4,180
<b>Balance Carried Forward at 31 March</b>		<b>(186)</b>	<b>3,710</b>
<b>Analysis of changes in Net (Debt) / Cash</b>			
Net cash at 31 March 2021		3,710	4180
Net cash outflow		(8,146)	(470)
Short term borrowings - Overdraft		(186)	-
Long term borrowings - Loan Facilities		(4,250)	-
<b>Net (Debt)/Cash at 31 March 2022</b>		<b>(8,872)</b>	<b>3,710</b>





# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

## 1. PRINCIPAL ACCOUNTING POLICIES

### Basis of Preparation

Royal British Legion Industries (RBLI) is a registered charity (210063 and SCO48795) and a private company limited by guarantee incorporated in England and Wales (00158479). The registered office is Hall Road, Aylesford Kent ME20 7NL.

These Financial Statements have been prepared in accordance with the Charities SORP, the Financial Reporting Standard (FRS102) applicable in the UK and Republic of Ireland and in accordance with UK charity and company law.

The principal accounting policies are applied consistently in the preparation of the Financial Statements unless stated otherwise

The financial statements are prepared on a going concern basis under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

### Consolidation

The company has two wholly owned subsidiaries, RBLI Contracts Limited and RBLI Ltd. Both subsidiaries are dormant and therefore have not been consolidated into the financial statements. Information on the subsidiaries is set out in note 9.

### Structure of Funds

The Charity maintains the following funds:

- **Restricted** the purpose for the use of these funds is restricted and defined by the donors
- **Unrestricted** where the use of the fund is not restricted.
- **Designated** where the funds are unrestricted but the Trustees have designated the use for a specific purpose.

### Income Recognition

Charitable activity income is measured as consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts, rebates and value added taxes.

### Donations and Legacies

Donations and Legacies are recognised as income when received or when entitlement to receive has been established, receipt is probable and the amount can be quantified with reasonable accuracy. Gift Aid receivable is included when claimable. Legacies are recognised when probate is granted and there is sufficient information to measure the value of the legacy.

### Grants Received

Grants are recognised in the Statement of Financial Activities when the conditions for entitlement have been met. Grants received before the conditions for entitlement have been met are deferred and included in creditors.

Furlough grants were received from the Government during the year to support the continued employment during the pandemic, no other government grants were received.

### Subsidies Receivable

A subsidy is made to host companies who employ a disabled person under the terms of the Work Choice Programme. The subsidy arises on the employment of the disabled person and remains for the term of the employment contract. The subsidy is accounted for on an accruals basis.

### Pensions

The Charity operates two pension schemes, the Defined Benefit Scheme, which was closed to new entrants in 2002 and the Group Personal Pension Scheme.

The Defined Benefit scheme, the assets of which are held and managed separately, is a multi-employer scheme. The actuaries have attributed scheme assets and liabilities to RBLI for the requirements of FRS102. The impact on the current year SOFA was an actuarial gain of £1.3m.

For the defined benefit section, the amounts charged in expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as

part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in 'Other recognised gains and losses'.

The Defined Benefit scheme is funded, with the assets of the scheme held separately from those of the underlying employers, in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

In addition, the amount charged to the Statement of Financial activities includes contributions payable to the Group Personal Pension Scheme in the year.

### Short Term Benefits

Short-term benefits, including holiday pay, termination payments and other similar non-monetary benefits, are recognised as an expense in the period in which the service is incurred, or in the case of redundancy and termination payments when there is a commitment to an individual or group of people.

### Taxation

The company is a registered Charity, as such is entitled to certain tax exemptions on income, profits from investments and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

Cash and cash equivalents

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

Investments

Investments are stated at bid-price and the value of both realised and unrealised gains are included in the Statement of Financial Activities within the relevant Funds. Investments are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs.

Charitable Expenditure

Costs are recognised on an accruals basis in the period in which they are incurred. Expenditure on raising funds includes the costs incurred in raising donation income and grant income, including apportioned support costs. Expenditure on charitable activities comprises the costs incurred on charitable activities including apportioned support costs. Where support costs cover more than one area of activity the costs are allocated to each activity based on weighting of the Charitable Activity revenue. Redundancy/ termination payments are recognised when there is a demonstrable commitment on an individual or group basis that cannot be realistically withdrawn.

Costs of expenditure on raising funds includes the fees incurred in managing the Charity's investments and where applicable irrecoverable VAT.

Operating Leases

Annual rentals under operating leases are charged against income on a straight-line basis over the lease term.

Stock and Work-in-progress

Raw materials, work-in-progress and finished goods are valued at the lower of cost or estimated selling price less cost to complete and sell. Cost comprises the direct cost of production and the net attributable proportion of overheads appropriate to each department.

Cost is determined on an average cost method. Cost includes the purchase

price including transport and handling directly attributable to bringing the stock to its present location and condition.

Regular reviews of stock take place to ensure all stock is in good condition and in addition a stock provision is included in the stock valuation to allow for the potential of stock not being consumed/ sold

Tangible Fixed Assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation. An annual review is undertaken to identify whether an impairment adjustment is required. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Freehold buildings -  
2% straight-line

Building's plant-  
7% straight-line

Plant, Machinery, Fixtures and  
Fittings -  
15% straight-line

Motor vehicles -  
25% straight-line

Office equipment -  
33% straight-line

Assets under Construction

Assets under construction represent expenditure incurred in creating assets. Depreciation takes place once the asset is brought into use.

Limitation of Capitalisation

Expenditure below £1,000 per item does not qualify for capitalisation as a Fixed Asset as it is not considered to be material.

Financial Risk Management

The Charity's operations expose it to some financial risks that include the effects of changes in market interest rates and its liquidity position. The Charity has in place a risk management programme that seeks to manage adverse effects on the financial performance of the Charity.

Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment of Assets

The charity has material value of assets under construction where the market value post completion could be lower than the net book value and therefore could give rise to an estimation uncertainty at the year end. The Charity will undertake market valuations once the material capital developments have been completed to ensure the assets are reflected at the lesser of the recoverable value or the net book value.

Stock Provisioning

At each balance sheet date, the Charity considers the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

Impairment of debtors

The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Defined Benefit Pension Scheme

The Charity has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

Financial Instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price. At the end of each reporting period financial assets are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the estimated cash flows. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Investments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in fair value reserve.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

(ii) Financial liabilities

Basic financial liabilities include trade and other payables and loans. They are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially and subsequently measured at transaction price as all of them are current.

All loans facilities are treated as a single financial instrument and are initially recognised at transaction price. Debt instruments are subsequently measured at amortised cost using the effective interest rate method. Fees paid on the

establishment of loan facilities are recognised at transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Going Concern

The Trustees reviewed RBLI's plans and financial projections in March 2022. The impact of the pandemic on unrestricted operational activity together with the capital investment in Centenary Village and developing a new dementia suite is clearly visible in the reduction in our liquid reserves. Given the capital development is near completion and that sufficient financing facilities have been put in place the Trustees are content that our financial projections are achievable and that the accounts should be prepared on a going concern basis.

The next 12 months will be subject to a challenging economic environment with increasing inflation and interest rates. The completion of the dementia suite and the second phase of Centenary Village will strengthen our income streams in the coming year which will help buffer the impact of economic challenges. RBLI will continue to ensure services are delivered effectively to efficiently manage the cost base whilst providing residents and employees an excellent environment to live and work in.

The long-term financial strength of the Charity is underpinned by the RBLI Village, a 75-acre site the market value of which is not wholly reflected in the £28m net asset position of the organisation. The Trustees are reviewing the Estate with a view to rationalising the portfolio through the disposal of non-strategic assets. Plans for certain disposals are advanced with others to be considered by the Board in 2022/23.

The investment portfolio has also shown strong recovery following the pandemic with a £0.2m increase in value reflected in the balance sheet. Over the short to medium term, the Charity has arranged financing facilities with £2.25m drawdown against our investment portfolio and a further £2m restricted loan from The Royal British Legion to support the restricted capital development activities. To ensure continue access to sufficient liquidity over the short to medium term the Trustees have agreed a further £5m term loan facility with Barclays post year-end.

The Senior Leadership Team will continue to expand the RBLI social impact footprint through its care and housing provision, the social enterprise market and employment services. The strong network of donors and partners will enable the continued delivery of front-end services with confidence that RBLI's collaborative working partnerships will continue to generate grants, donations and commercial contracts at an ever-increasing pace and value.

Notwithstanding the drive and ambition the Trustees and the senior leadership team acknowledge the next 12 months will not be without its challenges heightened by the likely economic impact of the war in Ukraine. Accordingly, Trustees will closely monitor performance, current and emerging risks with a view to implementing corrective action if required.

Having given due consideration to the financial position of the organisation and the operating environment, the Trustees are of the opinion that the Charity has sufficient resources to meet its liabilities as they fall due over the next 12 month period from the date the Financial Statements are signed.



“ I don't know where I would be without **RBLI**. ”



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

### 2. INCOME FROM DONATIONS & LEGACIES

	21/22 £'000	20/21 £'000
Donations	3,809	2,812
Legacies	56	-
Events	924	494
	<b>4,789</b>	<b>3,306</b>

### 3. INVESTMENT INCOME

	21/22 £'000	20/21 £'000
Investment dividends	65	89
	<b>65</b>	<b>89</b>

### 4. TOTAL EXPENDITURE

	21/22	21/22	21/22	20/21	20/21	20/21
	Activities undertaken directly £'000	Support costs £'000	Total £'000	Activities undertaken directly £'000	Support costs £'000	Total £'000
Raising Funds	942	567	1,509	852	351	1,203
Employment Solutions	2,174	266	2,440	2,875	274	3,149
Scotland's Bravest Manufacturing	1,587	167	1,754	1,246	123	1,369
Britain's Bravest Manufacturing	7,220	817	8,037	5,873	568	6,441
RBLI Living	5,531	623	6,154	5,282	559	5,841
Shop	620	84	704	668	143	811
<b>Total</b>	<b>18,074</b>	<b>2,524</b>	<b>20,598</b>	<b>16,796</b>	<b>2,018</b>	<b>18,814</b>

Auditors' remuneration was £61k (20/21: £56k). In addition, other advice was provided by BDO relating to taxation services £ 4,125 (20/21: £3,869).

Operating lease payments included in Resources Expended totalled £162k (20/21: £235k).

The gain on disposal of assets was £290k (20/21: a loss of £5k).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

SUPPORT COSTS 21/22

	Employment Solutions	Scotland's Bravest Manufacturing	Britain's Bravest Manufacturing	RBLI Living	Fundraising	Shop	21/22 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive	35	22	108	83	76	11	335
Finance	81	51	250	190	174	26	772
Business Systems	47	29	144	110	100	15	444
Human Resources	36	22	110	84	75	11	340
Marketing	38	24	116	88	80	12	358
Other Costs	2	2	8	6	5	1	24
Pension Deficit	26	17	81	62	58	8	252
	265	167	817	623	568	84	2,525

Support costs are allocated, where practicable, to the charitable activities on a directly attributable basis. The remainder is apportioned to each activity based on revenue.

SUPPORT COSTS 20/21 COMPARATIVES

	Employment Solutions	Scotland's Bravest Manufacturing	Britain's Bravest Manufacturing	RBLI Living	Fundraising	Shop	20/21 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive	38	18	80	79	49	20	284
Finance	72	32	149	147	91	38	529
Business Systems	52	23	107	105	66	27	380
Human Resources	44	20	92	91	57	23	327
Marketing	36	16	74	73	46	19	264
Other Costs	15	6	30	29	20	7	107
Pension Deficit	17	8	36	35	22	9	127
	274	123	568	559	351	143	2,018

5. EXPENSES BEFORE NET EXPENDITURE FOR THE YEAR

Net operating loss is stated after charging:

	21/22 £'000	20/21 £'000
Rentals payable under Operating Leases	162	235
Depreciation (Note 7)	895	844
Auditors remuneration	61	56
(Gain) / Loss on investments	(280)	(571)
	838	564

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

6. DIRECTORS, EMPLOYEES AND VOLUNTEERS

	21/22 Number	21/22 FTE	20/21 Number	20/21 FTE
The average monthly number of persons employed by the Company during the year was				
Employment Solutions	48	42	53	48
RBLI Living	147	95	137	93
Scotland's Bravest Manufacturing	20	18	18	15
Britain's Bravest Manufacturing	100	72	111	79
Fundraising and Marketing	19	17	21	18
Executive & Corporate Services	27	24	27	24
	361	268	367	277

During the year a total of 40 volunteers (20/21: 31) worked for a total of 3,043 hours (20/21: 2,474 hours)

	21/22 £'000	20/21 £'000
Staff costs		
Wages and salaries	7,625	7,954
Social Security costs	685	689
Other Pension costs	597	642
Other costs	535	15
Redundancy / Termination Payments	35	176
FRS 102 adjustment in SOFA	-	128
	9,477	9,604

In addition, during the year £138,061 expenditure was incurred on recruitment fees (20/21: £45,011).

The total number of employees whose emoluments, excluding pension contributions, were more than £60,000 per annum fall within the following bands:

£	21/22 Number	20/21 Number
60,001 - 70,000	3	3
70,001 - 80,000	1	2
80,001 - 90,000		
90,001 - 100,000	1	2
100,001 - 110,000		
110,001 -120,000	2	1
120,000 - 130,000		1
130,001 -140,000		
140,000 - 150,000		1
	7	10

All 7 employees (20/21: 10) earning over £60,000 p.a. participated in the company pension scheme and pension contributions of £80,141 were made by RBLI in the year to 31 March 2022. (20/21: £69,526)

The total remuneration of the above 7 (20/21: 10) key management personnel was £670,984 (20/21: £1,100,351). There was £35k redundancy payments in the year (20/21: £73k).

Included in the wages and salaries are bonus payments relating to achieving fundraising and sales targets for Lisa Farmer, Director of Fundraising, now CEO of £11,500 and Michelle Ferguson, Managing Director of Social Enterprises of £9,500.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022 *Continued*

No remuneration is paid to the 9 Trustees as they act on an honorary basis. The total expenses reimbursed to one Trustee was £22.50 (20/21: none)

The Charity is grateful for the large number of volunteers who have helped support the charity over the last 12 months.

All areas of the Charity have benefited from this support ranging from admin support, job coaching, care etc.

Governance costs for the year were £131k (20/21: £107k)

### Analysis of Governance Costs:

	21/22 £'000	20/21 £'000
Employment Costs	37	34
Audit	61	56
Overheads	33	17
	131	107

## 7. TANGIBLE ASSETS

	Freehold Land and Buildings £'000	Buildings Plant £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Office Equipment £'000	Assets Under Construction £'000	Total £'000
At 1 April 2021	19,738	2,046	1,530	2,154	101	426	4,450	30,445
Additions			140	47		51	8,041	8,279
Disposals			(11)					(11)
Transfers	3,813		96	330			(4,239)	0
At 31 March 2022	23,551	2,046	1,755	2,531	101	477	8,252	38,713

### ACCUMULATED DEPRECIATION

At 1 April 2021	5,633	1,425	1,006	1,218	83	396	-	9,761
Charge for year	415	101	121	227	5	26	-	895
Disposals			(11)					(11)
At 31 March 2022	6,048	1,526	1,116	1,445	88	422	0	10,645

### NET BOOK VALUE at 31 March 2022

NET BOOK VALUE at 31 March 2021	17,503	520	639	1,086	13	55	8,252	28,068
	14,105	621	524	936	18	30	4,450	20,684

The Trustees believe that the market value of land is significantly higher than the book value, which is negligible as it was transferred to the Charity in 1919, although a professional valuation was not performed.

Assets Under Construction represent capital expenditure on projects which are not finalised. The largest project under construction is Centenary Village Phase A (£8.3m).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022 *Continued*

## 8. INVESTMENTS

	21/22 £'000	20/21 £'000
At Fair Value		
Managed Investment Portfolio		
Listed on UK Stock Exchange	1,005	1,050
UK Fixed Interest	1,337	1,308
Overseas Equities	1,757	1,592
Overseas Fixed Interest	-	65
Quoted Property	-	-
Alternative Investments	289	280
Cash Reserve	411	270
Fair Value at 31 March 2022	4,799	4,565

Cost of Managed Investments at 31 March 2022	4,142	4,073
--	-------	-------

Analysis of Movements of Investments	21/22 £'000	20/21 £'000
Valuation at 1 April 2021 / 2020	4,565	4,044
Realised Gains / (Losses)	188	(43)
Unrealised Gains	165	704
Deposits and Withdrawals	(72)	(91)
Sales of Investments	-	-
less: Management Costs	(47)	(49)
Valuation at 31 March 2022/2021	4,799	4,565

## 9. INVESTMENT IN SUBSIDIARY

The company owns 100% of the issued share capital (being 2 shares of £1 each) of RBLI Contracts Ltd, a dormant company and 100% of the issued share capital (being 1 share of £1) of RBLI Ltd, a dormant company.

There has been no income or expenditure in either subsidiary in the year (20/21: none) and there is no capital and reserves in either company at the year-end (20/21: none).

## 10. STOCKS AND WORK IN PROGRESS

	21/22 £'000	20/21 £'000
Raw materials	1,232	715
Finished goods	109	25
	1,341	740

The replacement cost of raw materials does not differ materially from the value stated in the balance sheet.

The cost of raw materials recognised as an expense in the year was £3,921,128 (20/21: £3,600,097)



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

### 11. DEBTORS

	21/22 £'000	20/21 £'000
Trade debtors	2,271	1,961
Other debtors	309	31
Prepayments and accrued income	886	467
	<u>3,466</u>	<u>2,459</u>

### 12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	21/22 £'000	20/21 £'000
Amounts falling due within one year:		
Trade creditors	897	1,052
Other taxation and social security	380	516
Other creditors	205	500
Accruals	1,840	1,697
Deferred Income	291	85
	<u>3,613</u>	<u>3,850</u>

#### Analysis of Deferred Income

As at 1st April 2021	85
Recognised as income in the year	(85)
Deferred in the year	<u>291</u>
As at 31 March 2022	<u>291</u>

### 13. LONG TERM LIABILITIES - DEBT ANALYSIS

	Facility	Drawn	Undrawn
Royal British Legion	2,000	2,000	0
Julius Baer - RCF	3,380	2,250	1,130
Barclays Overdraft	<u>2,000</u>	<u>185</u>	<u>1,815</u>
Total	<u>7,380</u>	<u>4,435</u>	<u>2,945</u>

The Royal British Legion Loan is for a 10-year term with an interest of BoE Base Rate plus 0.5%. The loan is secured with a charge over Appleton Lodge to a value of £2.1m.

Julius Baer loan is a drawdown against investments. The maximum loan to value is 72% with an interest based on the refinancing rate plus 1.1%. The loan is secured with a charge over the investments placed with the Bank.

The overdraft with Barclays Bank has an interest rate equal to the BoE Base Rate plus 2.25%. The overdraft is secured with a charge on Queen Elizabeth Court to the value of £5.5m.

A charge over land, the Churchill Centre and the factory buildings at Aylesford has been granted to The Royal British Legion Pension Fund Trustees as security for the pension deficit liability and to support the Employers Covenant.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

### 14. CONTINGENT LIABILITY

RBLI has one potential employee-related claim that could be subject to an employment tribunal decision. At the date of signing a tribunal date had not been set. The maximum potential liability including legal costs is estimated to be in the region of £25k. It is likely this contingent liability will lapse or be realised in 2022/23.

### 15. FUND BALANCES CARRIED FORWARD AT 31 MARCH

	21/22 Unrestricted Funds £'000	21/22 Restricted Funds £'000	21/22 Total Funds £'000	20/21 Unrestricted Funds £'000	20/21 Restricted Funds £'000	20/21 Total Funds £'000
Tangible assets	12,799	15,269	28,068	10,239	10,445	20,684
Investments	4,701	98	4,799	4,474	91	4,565
	<u>17,500</u>	<u>15,367</u>	<u>32,867</u>	<u>14,713</u>	<u>10,536</u>	<u>25,249</u>
Net current assets	(2,386)	3,394	1,008	441	2,618	3,059
	<u>15,114</u>	<u>18,761</u>	<u>33,875</u>	<u>15,154</u>	<u>13,154</u>	<u>28,308</u>
Total Assets Less Current Liabilities						
Other Liabilities						
Loan	(2,261)	(2,000)	(4,261)	-	-	-
Defined benefit pension scheme asset/(liability)	-	-	-	(1,263)	-	(1,263)
<b>NET ASSETS</b>	<u>12,853</u>	<u>16,761</u>	<u>29,614</u>	<u>13,891</u>	<u>13,154</u>	<u>27,045</u>

### 16. ANALYSIS OF FUNDS

#### Unrestricted Funds

There are four unrestricted funds, two of which are designated totalling £10m. The designated funds include:

£5m for Future Projects and Developments (20/21: £5m) for the development of the RBLI Village.

£5m to provide cover for operating costs (20/21: £5m).

The other unrestricted fund reserve include:

The General Funds reflects the remaining Undesignated Funds used by the charity to provide services and support the beneficiaries.

The Pension Reserve reflects the balance of surplus or deficit on the defined benefit pension scheme and moves in line with annual valuations as per note 16.

	Balance as at 1 April 2021 £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Balance as at 31 March 2022 £'000
Designated Funds set aside by the Trustees					
Future Projects and Developments	5,000	2,343	(2,343)	-	5,000
Operating Cost Reserve	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
	<u>10,000</u>	<u>2,343</u>	<u>(2,343)</u>	<u>-</u>	<u>10,000</u>
General Fund	5,154	14,503	(17,078)	274	2,853
Pension Reserve	(1,263)		(57)	1,460	140
<b>Total Unrestricted Funds</b>	<u>13,891</u>	<u>16,846</u>	<u>(19,478)</u>	<u>1,734</u>	<u>12,993</u>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

### Analysis of Funds Comparative

	Balance as at 1st April 2020 £'000	Income £'000	Expenditure £'000	Expenditure Gains and Losses £'000	Balance as at 31st March 2021 £'000
Designated Funds set aside by the Trustees					
Future Projects and Developments	5,000	-	-	-	5,000
Operating Cost Reserve	5,000	-	-	-	5,000
	10,000		-		10,000
General Fund	5,484	15,554	(16,429)	545	5,154
Pension Reserve	(2,604)		(128)	1,469	(1,263)
<b>Total Unrestricted Funds</b>	12,880	15,554	(16,557)	2,014	13,891

### Restricted Funds

Capital and Revenue Grants hold restricted grants received for the development of property, plant and equipment and the provision of services to disabled people and armed forces veterans.

	Balance as at 1st April 2021 £'000	Income £'000	Transfer £'000	Expenditure, gains and losses £'000	Balance as at 31st March 2022 £'000
Capital and Revenue Grants	3,168	4,721	(5,598)	(897)	1,394
Investments	92	-	-	6	98
Capital Assets	9,894	-	5,598	(223)	15,269
<b>Total Restricted Funds</b>	13,154	4,721	-	(1,114)	16,761

### Analysis of Capital and Revenue Grants

Centenary Village	2,782	2,942	(4,997)		727
Scotland	201	208		(316)	93
Lifeworks	173	174		(206)	141
Welfare	73	326		(149)	250
Vanguard Trust Net Assets	110				110
Bradbury House (prev. Gavin Astor)	-	601	(601)		-
Other	(171)	470	-	(225)	73
<b>Total</b>	3,168	4,721	(5,598)	(896)	1,394

Transfer of Revenue Grants to Capital Assets represents Grants which have been expended on Capital Projects

### Analysis of Restricted Capitalised Assets

Centenary Village	3,160	-	4,997		8,157
Appleton Lodge	2,490	-		(106)	2,384
Hermitage Lane Apartments	2,118	-	-	(93)	2,025
Vanguard Properties	1,160	-	-	(24)	1,136
Scotland Factory	133	-		-	133
Other	833	-	601	-	1,434
<b>Total</b>	9,894	-	5,598	(223)	15,269

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

### Restricted Funds Comparative

	Balance as at 1st April 2020 £'000	Income £'000	Transfer £'000	Expenditure, gains and losses £'000	Balance as at 31st March 2021 £'000
Capital and Revenue Grants	2,868	4,168	(1,688)	(2,180)	3,168
Investments	66	-	-	26	92
Capital Assets	8,206	-	1,688	-	9,894
<b>Total Restricted Funds</b>	11,140	4,168	-	(2,154)	13,154

### Analysis of Capital and Grants

Centenary Village	2,266	2,204	(1,688)	-	2,782
Scotland	104	362	-	(265)	201
Lifeworks	142	323	-	(292)	173
Welfare	35	231	-	(193)	73
Vanguard Trust Net Assets	110	-	-	-	110
Other	211	1,048	-	(1,430)	(171)
<b>Total</b>	2,868	4,168	(1,688)	(2,180)	3,168

### Analysis of Restricted Capitalised Assets

Centenary Village	1,472	-	1,688		3,160
Appleton Lodge	2,593	-	-	(103)	2,490
Hermitage Lane Apartments	2,162	-	-	(44)	2,118
Vanguard Properties	1,160	-	-		1,160
Scotland Factory	163	-	-	(30)	133
Other	656	-	-	177	833
<b>Total</b>	8,206	-	1,688	-	9,894



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 Continued

17. PENSION SCHEME

Royal British Legion Industries participates in two staff pension funds. The Defined Benefit Scheme (the Fund), and the Group Personal Pension Plan (the GPPP), both operated in conjunction with The Royal British Legion.

Contributions to the Group Personal Pension Plan in the year were £597k (20/21: £535k). Contributions are limited to twice the level of the employees' contribution. There were 293 employees participating in the scheme at 31 March 2022 (20/21: 296)

The Defined Benefit Scheme was closed to new entrants in 2002. During the year RBLI made a contribution of £161k to help fund the scheme deficit (20/21: £0).

The most recent formal scheme published actuarial valuation was carried out by First Actuarial LLP as at 1 April 2022.

The major financial assumptions used by the actuary for FRS102 purposes were:

Actuarial Assumptions	21/22	20/21
Discount rate (%p.a.)	2.70%	2.00%
Retail Price Inflation (%p.a.)	3.75%	3.30%
Consumer Price Inflation (%p.a.)	3.05%	2.60%
Salary increase rate (%p.a.)	4.05%	3.60%
Rate of increases of pensions in payment		
Post 98 Pension	3.65%	3.30%
Post 88 GMP	2.50%	2.30%
Revaluation of deferred pensions in excess of GMP	3.05%	2.60%
Life expectancy at age 65		
Current Pensioners Men	86.3	86.3
Current Pensioners Women	88.8	88.7
Future Pensioners now aged 45 Men	87.7	87.6
Future Pensioners now aged 45 Women	90.2	90.2

	21/22 £'000	20/21 £'000
Fair value of fund assets		
Equities	5,868	5,390
Bonds	4,621	5,184
Gilts	-	-
Other Growth Seeking assets	3,288	3,131
Liability Driven Investments	2,035	1,906
Cash	127	337
Total	15,939	15,948

In addition, the Trustees hold insured annuity policies. The value of these annuities has been excluded from both the assets and the liabilities since the liability is matched directly by an asset value of equal value. This is consistent with previous disclosures. The Fund does not invest in the sponsor's own financial instruments, including property or other assets owned by the sponsor.

Total cost recognised as an expense:	21/22 £'000	20/21 £'000
Administration expenses	117	115
Past service cost	-	-
Net Interest	24	61
Total cost recognised as an expense:	141	176

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022 Continued

Reconciliation of scheme assets and liabilities	Asset	Liability	Total
As at March 2021	15,948	(17,211)	(1,263)
Benefits Paid	(502)	502	-
Employers Contributions	198	-	198
Administration Expenses	(117)	-	(117)
Past Service Cost	-	-	-
Interest Income (expense)	315	(339)	(24)
Remeasurement Gains	-	-	-
Actuarial Gains	-	1,109	1,109
Return on plan assets excluding interest income	97	-	97
As at March 2022	15,939	(15,939)	-

18. TAXATION

The company is exempt from liability to corporation tax on its charitable activities due to its status as a registered Charity.

19. CAPITAL COMMITMENTS

	21/22 £'000	20/21 £'000
Capital Commitments contracted for at year end but not provided for.	2,171	8,379
Capital Commitments approved but not contracted	122	904

20. OPERATING LEASE COMMITMENTS

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Operating leases	21/22 £'000	20/21 £'000
Payments due		
Not later than one year	162	167
Later than one year and not later than five years	92	160
Later than 5 years	-	8
Total operating leases	254	335

21. RELATED PARTY TRANSACTIONS

There is no ultimate controlling party of the Charity.

Key management personnel include all Trustees, directors and a number of senior managers across the Charity who together have authority and responsibility for planning, directing and controlling the activities of the Charity.

During the year five Trustees made charitable donations equal to an aggregate value of £25k (20/21: £24k).

Services were also purchased from Gullands LLP, a related party to one Trustee to a total value of £1.1k (20/21: nil).

The total compensation paid to key management personnel for services provided to the group was £671k (20/21 £1.1m).



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

#### 22. GRANTS AND DONATIONS

Donations and Grants of £10,000 or more, received in the current and prior years, are shown below.

These are reported in the Statement of Financial Activities either under Charitable activities or under income from donations

	21/22 £	20/21 £
Greenwich Hospital	1,349,000	-
The Lawson Trust	500,000	-
BBO Grant	445,333	436,231
The Bradbury Foundation	350,000	-
Garfield Weston Foundation	300,000	-
Royal Engineers' Association	220,000	220,000
Workchoice employee support grant	206,574	225,144
Armed Forces Covenant Fund Trust	174,601	323,560
Kent County Council	132,519	164,127
Colyer Fergusson Charitable Trust	125,000	125,000
ABF The Soldiers' Charity	123,650	315,000
BAE Systems	120,000	7,500
Barclays	100,000	-
Royal Navy and Royal Marines Charity	100,000	150,000
Forces in Mind Trust	87,048	95,000
The Veterans' Foundation	72,500	56,000
The Annington Trust	50,000	50,000
The Davis Foundation	50,000	-
The Conway Charity	50,000	50,000
The Rigby Foundation	50,000	-
The Masonic Charitable Foundation	45,000	45,000
The Swire Charitable Trust	40,756	40,756
Kent Community Foundation	8,000	-
John Scott Charitable Trust	30,000	10,000
Francis Winham Foundation	25,000	10,000
Officers Association Scotland	25,000	-
Queen Mary's Roehampton Trust	25,000	15,000
Calleva Foundation	21,000	-
Corra Foundation	20,000	-
The Pack Foundation	20,000	-
Roger de Hann Charitable Trust	20,000	-
Michael J Head	42,325	12,000
The Army Central Fund	15,000	15,000
Childwick Trust	15,000	-
Veterans Scotland	15,000	-
Armajaro Holdings	12,500	10,000
Michael Holland	12,500	10,000

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

	21/22 £	20/21 £
Howard Bellm	10,000	-
Lord Farmer	10,000	-
The Peter Cruddas Foundation	10,000	-
The Oak Foundation		500,000
The Wolfson Foundation		150,000
The National Lottery		148,008
Barratt Developments		100,000
The Hands Family Trust		100,000
The Michael Bishop Foundation		75,000
Big Lottery		70,701
3i	63,000	66,500
The Bernard Sunley Charitable Foundation		50,000
The Peter Harrison Foundation		50,000
Wellbeing Fund SCVO		48,206
Tonbridge & Malling Borough Council		41,243
St James's Place Foundation		35,000
Remembered		31,599
The Hobson Charity		28,000
Poppy Scotland		24,000
REME Charity		20,000
Stephen Kingsman		19,000
Impact Funding Workplace Equality Fund		18,000
Centor		15,000
Linstone Supporting Communities		7,595
Basil Death Trust		6,000
Shears Foundation		6,000
The Morrisons Foundation		5,500
Sir Graeme Odgers		5,000
Chartered Accountants' Livery Company		5,000
Mr F Martin DL		5,000
Fort Foundation Burnley		5,000
The Blythe Sappers		5,000
Simon Gibson Charitable Trust		5,000
RAF Benevolent Fund		1,500
	5,091,306	4,032,170



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022 [Continued](#)

#### 23. NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	21/22 £'000	20/21 £'000
Net income	1,249	1,556
(Gains) on investment assets	(280)	(571)
Investment management fees deducted from fund	46	50
Difference between pension charge and cash contributions	57	128
Investment income	(65)	(89)
Accrued Loan Interest	11	-
Depreciation on tangible fixed assets	895	844
(Gain)/Loss on disposal of fixed assets	(290)	5
(Increase) in stocks	(601)	(259)
Decrease) in debtors	(1,007)	(255)
(Decrease)/Increase in creditors	(237)	1,129
Net cash (outflow) / inflow from operating activities	(222)	2,538

#### 24. FINANCIAL INSTRUMENTS

	Note	21/22 £'000	20/21 £'000
Financial assets			
Financial assets measured at amortised costs			
Trade debtors	11	2,271	1,961
Others debtors	11	309	31
		2,580	1,992
Cash at bank and in hand		-	3,710
Financial liabilities measured at amortised costs			
Overdraft		186	-
Trade creditors	12	897	1,052
Other creditors	12	205	500
		1,102	1,552
Loan Financing	13	4,261	-

#### 25. POST BALANCE SHEET EVENTS

A £5m term loan with Barclays Bank was agreed in May 2022. The capital repayment is based on a 20-year amortisation period with the interest equal to the Bank of England Base Rate plus 2.65% margin. The loan is secured with a charge over Queen Elizabeth Court, Invictus Games House and Victory House. At the date of signing £2.5m of the loan value has been drawdown.

“ RBLI's **Tommy** figure is a national symbol of veteran support ”



# LEGAL & ADMINISTRATIVE INFORMATION

## Trustees:

Mr S Rowbotham - Chairman  
Mr F Martin DL – Vice Chairman  
Mr S W Kingsman DL  
Mr A Watson  
Mrs N Ahmed OBE DL  
Mr A B Gulland  
Mrs K Cearns OBE, FCA FCCA  
Ms S Mason  
Brigadier D Innes

## SENIOR LEADERSHIP TEAM:

Mrs L Farmer	Chief Executive
Mr S Sherry	Chief Executive (Resigned 28 February 2022)
Mrs J Dosanjh-Elton	Director of Finance and Corporate Services & Co. Secretary (Appointed 23 September 2021, resigned 31 July 2022)
Mr G Nobbs FCCA	Director of Corporate Services & Co. Secretary (Resigned 23 September 2021)
Mr W Campbell-Wroe	Director of Living
Miss Michelle Ferguson	Managing Director of RBLI Social Enterprises
Ms K Wickes-Bull	Director of Britain's Bravest Manufacturing Company (Resigned 5 November 2021)

## COMPANY NUMBER:

00158479 Incorporated in England and Wales

## REGISTERED CHARITY NUMBER: England & Wales

210063 The Charity is a public benefit entity

## REGISTERED CHARITY NUMBER: Scotland

SC048795

## HEAD OFFICE AND REGISTERED OFFICE

Royal British Legion Industries Limited  
Hall Road  
Aylesford  
Kent  
ME20 7NL

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