

# 2020

**Annual Report and Accounts**

Year ended 30 September



**ROYAL BRITISH LEGION**

Cover: Leading Naval Nurse Nicole Brown, who is based at HMS Forward in Birmingham

Below: Poppy Railton, age 11, a collector in Cambridgeshire for the Poppy Appeal



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Annual Report 2020

# Foreword



Una Cleminson, National Chairman, and  
Charles Byrne, Director General

*Una Cleminson Charles Byrne*

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“Despite being worried about Covid-19 infection and the security of their jobs, so many of our members, volunteers and staff stepped up to help others, bringing the human contact and support that the RBL does so well”

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**2020 was, by any measure, a challenging year:** probably the toughest in recent memory. Overall, we are pleased to report that the Royal British Legion responded very well. Our investment in IT infrastructure and the work we have been doing to improve how we operate all paid dividends, as the best way to respond to the pandemic has been to rely upon IT and good teamwork.

Being able to move swiftly to online working allowed us to maintain most of our services. Indeed, these new ways of working allowed us to increase capacity in some areas. Admiral Nurses, which helps families with loved ones diagnosed with dementia, was rolled out nationally, and we reduced waiting times from 17 days to four as the reduced requirement for travel freed up capacity.

The RBL is a community made up of members, volunteers and staff across the four nations of the UK and with branches around the world. The challenges of the pandemic revealed how strong that community is and how close its bonds are with the rest of society. You will find plenty of evidence of this in the report on our Community Response Awards. There are stories of sourcing and distributing PPE for local community nurses, care homes and hospitals. There is help for those in need. There is fundraising. We even had a farmer who used his tractor and trailer to run a green-waste collection when council services were suspended. RBL members, volunteers and staff see a need and respond. Those who had been furloughed used their free time to help others. Despite being worried about Covid-19 infection and the security of their jobs, so many of our members, volunteers and staff stepped up to help others, bringing the human contact and support that the RBL does so well. They were resourceful and generous with their time and talents, and we are very proud of what they achieved. On behalf of the Trustees, we would like to thank them.

Fundraising was always going to be affected by the pandemic, so as soon as the threat materialised early in the year, we put in place a prudent cost-management programme. Although gross income did fall by £33 million this year, our net deficit was £21 million.

For the members of the Armed Services community we help in their times of need, Covid-19 made life even harder. Although requests for support are declining as the

Second World War generation passes away, we saw an increase in the most complex cases this year.

Perhaps the hardest hit of all by the pandemic were our care homes, and we want to express our appreciation for how well they managed, given such a difficult situation.

Our first priority was our residents and to keep them safe. We needed to ensure our staff had the equipment they needed for that. We tasked our procurement team to source sufficient PPE supplies to last six months and arranged for timely distribution through our central supply depot at Aylesford. It meant none of our people had to worry about running out of PPE.

Again, previous years' investment in IT – in particular, a rolling project to improve wi-fi provision – made a huge difference. Faster, more reliable broadband is the difference between isolation and the ability to keep in touch with families through video calls. It has made a major contribution to our residents' quality of life.

Care-home staff made big sacrifices this year, often having to spend time away from their families and having to deal with new care needs and procedures complicated by Covid-19. We kept in touch, phoning to check on their situation and offering help where it was required. We showed the gratitude of all colleagues at the RBL by giving every care-home team member a thank-you package of treats and items from our Poppy Shop.

The pandemic brought constantly changing regulations and guidance, and we had to continuously adapt our plans for commemorative events. We are therefore proud to report that, due to extraordinary work by all involved, we managed to hold major events for both VE Day (Victory in Europe) and VJ Day (Victory over Japan) during the summer. Both revealed a real national desire to collectively celebrate the success and sacrifice of a previous generation. We were delighted with the public's engagement and contribution.

VJ Day is often left somewhat in the shadow of the European commemoration. Not this year. Delivered from the National Memorial Arboretum in Staffordshire, the event attracted better-than-ever attendance from the national press. The service was incredibly moving and the extent of the coverage was impressive.

That commemorative service was a reminder of the broad contribution to the Far East Second World War conflict. Less than 20% of the army, which was the largest the world has ever seen, was recruited from the UK. These men and women, many from Commonwealth nations, came together to fight for common values. Their success is a testament to the power of that diversity.

Towards the end of the calendar year, we completed our audit of diversity, equality and inclusion. We had commissioned independent experts to conduct the audit and develop a strategy that will ensure we reflect the diversity both within the Armed Forces and nationally. Our aim is for the RBL to continue to improve on its levels of diversity, equality and inclusion.

Inclusion is just one strand of our strategy, which has at its centre our goal of making the greatest difference to those we serve and addressing the pressing and fundamental challenges people are facing. To ensure we are focused on the things that will best enable us to do that, we have reviewed both what we do and how we do it. As a result of this strategic review, we made some difficult resourcing decisions and closed our four Break Centres. We also ceased our Handy Van service, replacing it with grants to be spent with local services. The savings helped allow us to give a £3 million grant to Combat Stress, despite a year of financial pressures due to lower fundraising receipts. Our grant to Combat Stress will enable it to continue to help veterans with the most pressing mental-health needs.

Campaigning continued throughout the year and we engaged with national, devolved and local Government on issues that affect the Armed Forces community. We achieved significant progress in our Count Them In campaign and on housing policy, pursued our Stop the Service Charge campaign, and highlighted our concerns on the Government's Overseas Operations Bill. Our sustained engagement with the Government and Parliaments in Westminster and Edinburgh secured inclusion of questions about the Armed Services membership in the national census, although unfortunately not in Northern Ireland. However, it is a significant achievement and important. It has been said that, 'If you want to count, you need to be counted'. The census will now generate data and insight that will inform decisions of national and local Government, and military charities, enabling better help for those we support.

The pandemic did force us to postpone our Annual Conference from May to September, when we held it virtually. We would like to thank all those who took part. Conference is a chance to share both opportunities and challenges. That dialogue continues throughout the year with County Chair and town hall events. We welcome the views of everyone in our community and encourage you all to attend and participate next year.

As we write, early in 2021, there is a national lockdown and Covid-19 is still frustrating normal life. However, based on the resourcefulness of our members, our staff and our volunteers this last year, we are confident that in the coming 12 months, we will continue to find ways to provide services to those in need of our support, we will continue to raise funds, to conduct Remembrance services and to campaign for the Armed Services community's interests. What we do supports that community. The pandemic has disrupted us but it will not stop us.

Covid-19 restrictions forced the closure of the National Memorial Arboretum on 22nd March, 2020. On 8th June, 2020, through the dedication and resourcefulness of our staff and volunteers, it was one of the first UK visitor attractions to reopen. The Arboretum has proved to be a flexible venue for functions this year and enabled us to hold many Covid-secure meetings. It has also offered everyone a marvellous outdoor space. We look forward to a time when people will be free again to visit it all year round and enjoy its beauty and its calm.

**“What we do supports the Armed Forces community. The pandemic disrupted us but it will not stop us”**

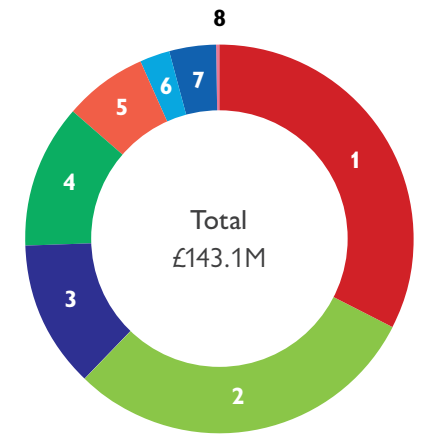
# Trustees' report

The Trustees present their report, including strategic review, and the audited financial statements for the year ended 30th September, 2020

## Financial overview

### Where the money comes from

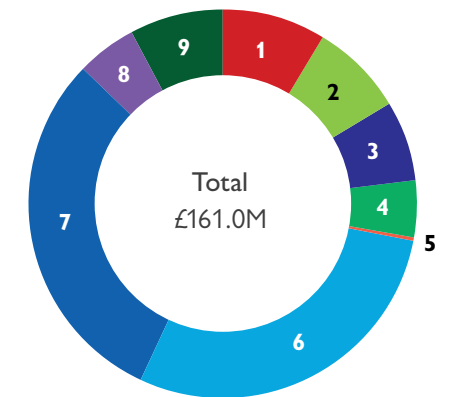
|   | £ Million    | %            |
|---|--------------|--------------|
| 1 The Poppy Appeal                            | 46.5         | 32.5         |
| 2 Donations, legacies and events              | 42.8         | 29.9         |
| 3 Lotteries and trading                       | 17.4         | 12.2         |
| 4 Fees charged to care home residents         | 16.9         | 11.8         |
| 5 Grants for welfare services and Remembrance | 9.8          | 6.8          |
| 6 Membership subscriptions                    | 4.1          | 2.9          |
| 7 Investment income                           | 5.5          | 3.8          |
| 8 Other                                       | 0.1          | 0.1          |
| <b>TOTAL INCOME</b>                           | <b>143.1</b> | <b>100.0</b> |



### Where the money goes

#### Operational costs

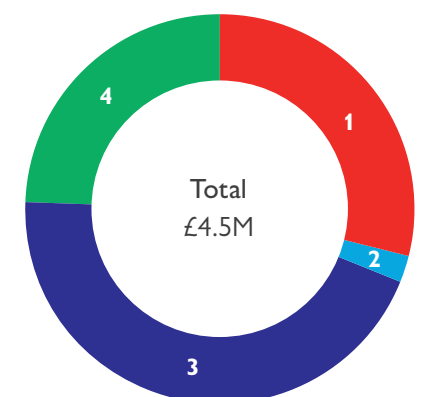
|                                  | £ Million    | %            |
|----------------------------------|--------------|--------------|
| 1 The Poppy Appeal               | 14.2         | 8.8          |
| 2 Donations, legacies and events | 12.4         | 7.7          |
| 3 Lotteries and trading          | 11.2         | 7.0          |
| 4 Remembrance                    | 7.3          | 4.5          |
| 5 Comradeship                    | 0.5          | 0.3          |
| 6 Care homes and Break Centres   | 46.7         | 29.0         |
| 7 Welfare services               | 48.5         | 30.1         |
| 8 Membership                     | 8.0          | 5.0          |
| 9 Communication and campaigns    | 12.2         | 7.6          |
| <b>TOTAL OPERATIONAL COSTS</b>   | <b>161.0</b> | <b>100.0</b> |



### Where the money goes

#### Capital costs

|   | £ Million  | %            |
|---|------------|--------------|
| 1 Care homes and Break Centres                | 1.3        | 28.9         |
| 2 The National Memorial Arboretum development | 0.1        | 2.2          |
| 3 Improving IT infrastructure                 | 2.0        | 44.5         |
| 4 Lady Haig Poppy Factory renovation          | 1.1        | 24.4         |
| <b>TOTAL CAPITAL COSTS</b>                    | <b>4.5</b> | <b>100.0</b> |





# Funds and Reserves

The total funds of the RBL group are broken down into three categories: Not available to spend, Membership Funds and Restricted Spend, and Available Unrestricted Funds. Our Reserves policy can be found on page 47.

## Not available to spend

Buildings such as Care Homes and Break Centres **£89.2m**

Branch properties occupied by Legion clubs **£66.1m**

Interest-free loans to beneficiaries **£4.5m**

**Subtotal of funds not available to spend: £159.8m**

## Membership Funds and Restricted spend

Membership funds, including money held by Branches **£42.1m**

Money that can only be used in a specific geographical area **£57.1m**

Money given to us for a specific purpose **£20.7m**

**Subtotal of Membership Funds and Restricted spend: £119.9m**

## Available Unrestricted Funds

Money set aside for emergencies **£55m**

**Money we have available to spend £15.9m**

**Subtotal of Available Unrestricted Funds: £70.9m**

Total Funds held by the Legion Group

**£350.6m**

# Our strategy



Flight Lieutenant Samantha Rawlinson, Royal Air Force, works on the Defence Medical

Rehabilitation Centre Covid-19 Recovery Service at DMRC Stanford Hall, in Nottinghamshire



**The Royal British Legion** is in a unique position. Not only do we provide support for serving and ex-serving personnel and their families, but we also have an enduring responsibility for Remembrance, as well as offering broader support for the Armed Forces, campaigning for their interests. Add in the RBL's network of branches, members and supporters across the country and you have an organisation like no other. Our vision is to bring together our nations, our communities and our people to create better futures for our Armed Forces community and their families. As we approach our centenary in 2021, the RBL needs to ensure that it is fit for purpose for the next 100 years, meeting the needs of the Armed Forces community.

Those needs are changing. The number of people we serve is decreasing, with fewer serving personnel and a declining older veteran population from the Second World War. While the number of calls we get is declining, we are experiencing a more diverse demand for support as people's needs become increasingly complex, ranging from employment, finance and housing to mental health and care. Often, people have multiple, interrelated needs. For example, someone may require support with housing and finances, both of which can also affect their mental health.

We want to be sure that we are making the greatest difference we can to the community we serve. We also have a responsibility to use the public's generous donations efficiently. To assess how well our current service portfolio is meeting these changing needs, we conducted a detailed review across the charity, assessing all of our activities. In addition to looking at how well we are meeting the most pressing needs, we also considered how easy it was for people to find us and to find the support and service they need from us.

The review identified that our greatest opportunity to support the community we serve and to deliver on our vision is by acting as a first port of call for anyone looking to get or to give support to our Armed Forces community. Of course, no one organisation can provide all the support needed and there will always be many ways to find help and many organisations and people ready to provide it. Many charities are facing a very challenging time, especially those that rely on public donations. The Armed Forces charities are no exception. We face financial pressures whilst seeking to meet

the increasing complexity of needs of those who turn to us. We are having to meet these challenges when the peacetime profile of our Armed Forces can mean their ongoing work and sacrifice is less front of mind for the public. Across our sector there is a strong commitment to collaborate and coordinate our work. We even share a common system to support our shared caseworking. The RBL will continue to work with others as part of a wider national network. The size and geographical reach of the RBL make us well placed to play our part as a first port of call.

That broad reach and expert knowledge also allows us to act as one of the primary caseworking organisations, connecting people to the services they need, whether those services are delivered by the RBL or through one of our partners. With the expertise we have built over time, we will continue to provide a range of general and specialist welfare support services, including those offered through our care homes.

The RBL has always been a campaigning organisation. Based upon sound research, careful thought and robust and open engagement with Government, we can help deliver profound and far-reaching benefits for the people we serve through changes in policy and practice, such as our successful campaign to include questions on service in the next national census.

We will continue to act as national champions for Remembrance – we will increase community participation and engagement in Remembrance activities.

These are our priority areas and we will focus on them in the future. Refocusing our resources on these areas has meant we had to cease offering some other services. We took the difficult decision to close our four Break Centres and have also changed the way we provide household maintenance support, closing our Handy Van service and instead using local tradesmen funded by small grants. Whilst we understand that these services were valued by many, we are now able to do more good for the community we serve, putting our resources and efforts where needs are greatest and focusing on where we can make the most difference, both in our own work and by supporting partners such as Combat Stress through grant funding.

As well as looking at what we do, the review also considered how we work.

Opposite:  
William Olando,  
Veteran, Rifleman,  
Battalion  
(4 Rifles Regiment)




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**“As we approach our centenary in 2021, the RBL needs to ensure that it is fit for purpose for the next 100 years”**

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We identified that we do not always work as effectively as we could. We need to be better at explaining who we are and what we do. We also want to improve the experience people have when they come to the RBL as, currently, 99-year history has left a modern-day organisation that, while effective in what it does, has a rather disparate nature. Departments and services have developed in isolation, reacting and undertaking work in response to issues and ideas that have arisen, over time, at local levels. We are a large and complex national organisation with a local footprint. Adding to the complexity is the fact that we have the dual purpose of delivering Remembrance and welfare support and at the same time we are also a membership organisation.

As a result of our diverse structure and activities, those who have contact with us – from the people who approach us for support to our donors, our members, our volunteers and our partners – can receive different experiences. We need to bring consistency across all our activities.

The One Legion initiative brings everyone together to work towards the same ambition and puts the people who come to us at the heart of all that we do.

To make One Legion a reality and achieve our vision of creating better futures for our Armed Forces community, we need to:

- Grow and nurture public support through awareness, education and participation;
- Understand and adapt to the needs of the Armed Forces community;
- Raise income to deliver integrated, sustainable and cost-effective services;
- Collaborate with our network of partners, members, volunteers, staff, fundraisers and supporters; and
- Live our values to attract and develop great people.

This will require a new mindset and a new way of working. We have a huge opportunity to transform our organisation and change how we work for the benefit of those we support, both now and in the future.





# Services and support

Opposite: Lawrence Philips served in the Royal Armoured Corps for seven years and was medically

discharged. He and his fiancée Danielle have been supported by the RBL during the Covid-19 pandemic



**Members of the UK's Armed Services** give the nation their total commitment. It's the Royal British Legion's job to be there for them at their time of need. We've got their backs.

Despite the challenges of the lockdown and subsequent ongoing restrictions, we have continued to provide nearly all of our support services throughout the year.

**Care services**

Our six care homes provide 24-hour residential, nursing, respite and day care for hundreds of elderly and very frail people, supporting individuals with specialist dementia care. We provide a unique environment that recognises and celebrates our residents' service to the country.

Our care homes 'locked down' in March 2020, restricting visitors and stopping all admissions between mid-March and July 2020 to protect our residents, staff and their families. Throughout this period, extensive and changing government guidance was issued to the care sector. We responded by quickly establishing a 'live' Pandemic Plan that distilled and interpreted the guidance.

Throughout the pandemic, keeping our residents, their families and our staff well informed was a priority. We increased the frequency of communications with our residents and family members, and offered regular updates and advice.

The provision of PPE was a major challenge, which we managed well. We now have secure supply routes and backup arrangements in place. In all the RBL's care homes, we have continued to provide high-quality care for our residents, looking to enrich or enhance our care through hosting virtual royal engagements, online activities, community choirs of residents, visits from local nursery school children and facilitating visits from family members in a safe way.

Our Admiral Nurse service continues to support the carers of people facing the challenges of dementia in their homes. Admiral Nurses provide much-needed expert and clinical advice and support at what is a very difficult time in the carer's life.

The Admiral Nurse service transitioned quickly, rapidly adapting to online support and expanding the service beyond the established six geographic service areas to all areas and nations in the UK, and worldwide.

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**“Despite the challenges of the lockdown and subsequent ongoing restrictions, we have continued to provide nearly all of our support services throughout this year”**

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Opposite: Veteran Ken Judd has been a resident at Galanos House, an RBL care home, for 13 years

Below: Iva Davies, Area Administrator, East Anglia & Essex

Our staff have been central to our success in providing safe and good-quality care throughout the year. The challenges brought about by the pandemic and subsequent lockdowns have increased workloads and pressures on every member of the RBL care teams. To ensure we protect and support our front-line teams, we have invested in specialist support for their wellbeing.

**Regional casework and specialist teams**

To maintain our caseworking and specialist advice services, we successfully switched all our home-visiting services to telephone or video calls, ensuring the right support was available at the right time.

We received 37,341 direct requests from people in need. They were either based in the UK or one of 31 countries across the world where we operate. We have continued to see an increase in people turning to the RBL with complex, multiple

needs, seeking practical help at a most difficult and often chaotic time. Through our caseworking, we provided practical support by awarding grants to 7,668 individuals, with mobility, housing and debt being the three most prevalent issues.

Our War Pension and Armed Forces Compensation service received 4,242 requests for support with appeals against compensation awards. The Courts and Tribunals Services closed due to Covid-19, ceasing all appeals for three months. It resumed in July 2020, operating virtual hearings, enabling appeals to be heard. We supported 1,001 individuals to secure funds of £770,000 in the year.

1,780 people sought our specialist debt and money advice during the year, an increase of 21% on last year. We secured £12.6 million for these people – either helping them to access benefits and grants or negotiating debt relief – a 52% uplift on the previous year.







Above: Susan Coleman, Overseas Case Officer: "I support veterans and their families who no longer live in the UK. Knowing the RBL is on their side gives them hope"

As part of our commitment to continuously improve and adapt to meet the needs of the UK Armed Forces community, we introduced a system to capture the impact of our work with individuals. Our 'Impact Star' assesses an individual's situation across six areas of welfare need – finance, health, housing, social life, wellbeing and activity. These assessments, co-created by the individual themselves, are carried out prior to an individual's engagement with the RBL's support services and then afterwards, providing us with essential data and information on the impact of our services. On average, the individuals we supported reported a 27% improvement across all six areas of welfare need, whilst those who accessed our specialist debt and money advice service reported a 56% improvement in their financial situation.

**Recovery**

All our support services for serving personnel and veterans who have been wounded, injured or sick – and their families – were affected by the pandemic.

We provide support through the Battle Back Centre, the arts recovery programme Bravo 22 and our involvement in the Invictus Team UK Friends and Family programme. Our multi-activity courses at the Battle Back Centre had to stop until September, when adapted courses with reduced numbers and Covid-19-safe arrangements were put in place. Bravo 22 quickly moved from face-to-face workshops and productions to a very successful and well-attended online programme of support.

**Aims set out in the 2019 report**

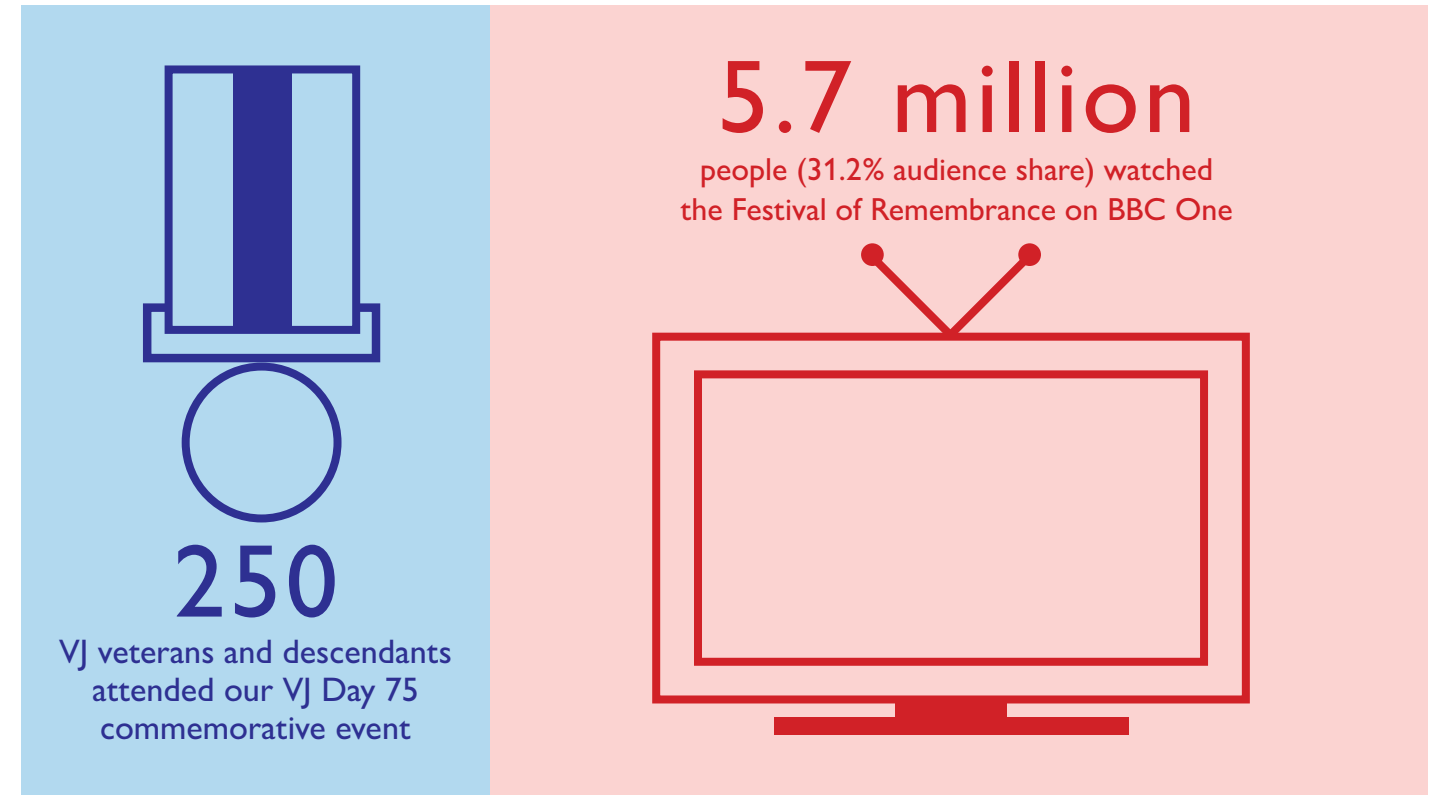
We detailed several aims for 2020 in last year's report.

We wanted to improve the experience of using our services by partnering in the development of a new Casework Management System (CMS) to be used by more than 90 Armed Forces-linked charities. We have worked hard on this large-scale, sector-wide development project, which has made good progress, linking support for people seamlessly behind the scenes. The new system went live in early 2021.

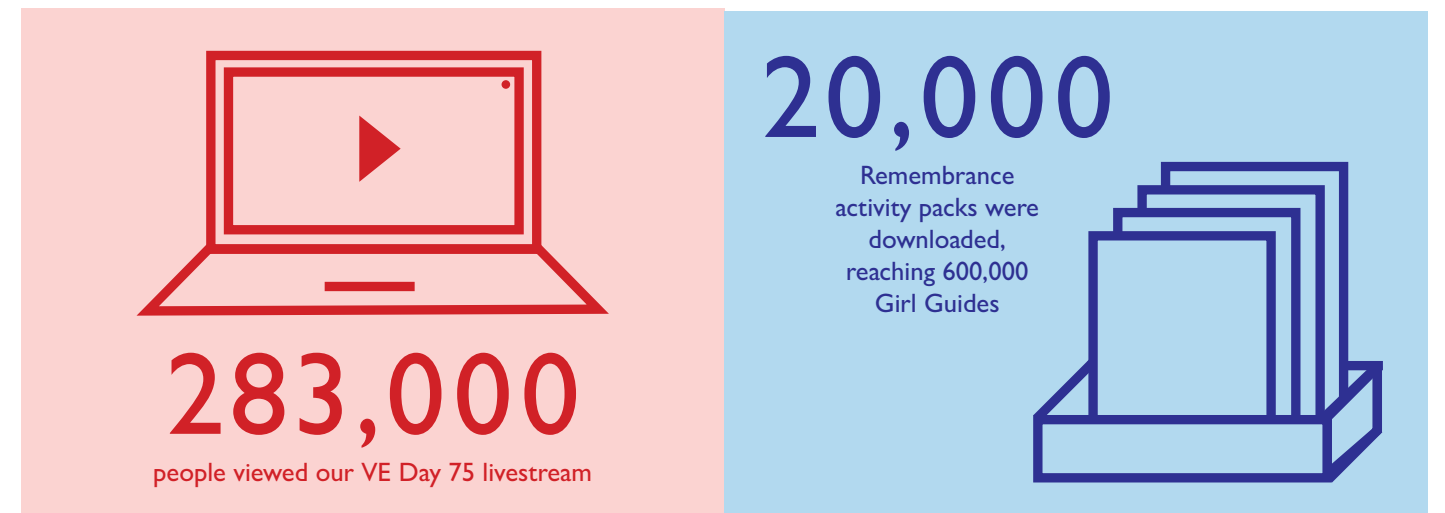
We set out to make further changes to how we manage cases based on previous review findings and our learnings from delivering support during the Covid-19 pandemic. We have simplified some of our processes and maximised the opportunity that working remotely presents, reducing waiting times for the most vulnerable and improving the quality of support. This allows us to better manage the increasing number of multiple-needs cases, another aim set last year.

We stated that we would help Team UK competitors and their families continue in their preparations for the next international Invictus Games in May 2021. We have done that, keeping the competitors and their families well informed and supported using online services and support.

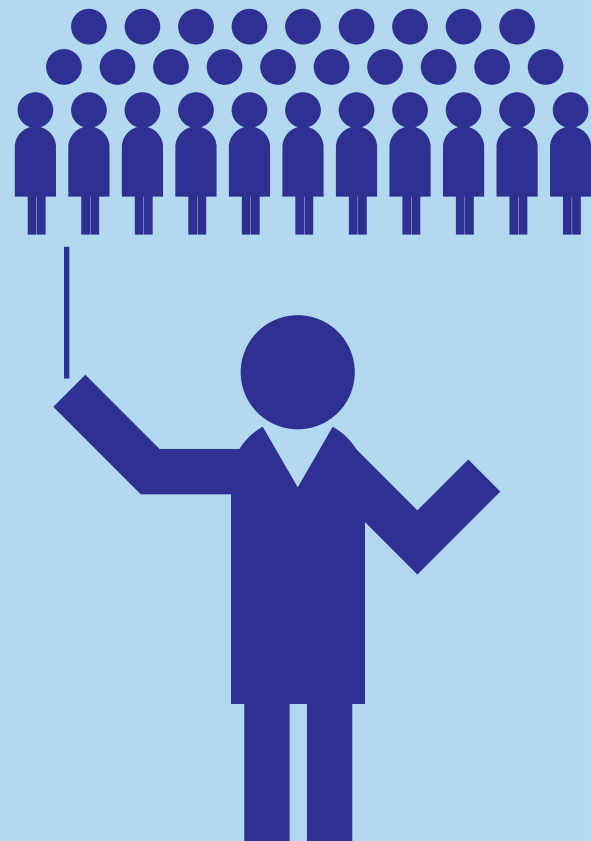
Our last goal was to make progress in the development of a future Recovery Strategy, supporting and responding to the Ministry of Defence's Defence Recovery Capability Review for helping wounded, injured and sick personnel get back to normal serving life, or adjust to living successful and fulfilled civilian lives. The review findings, and our own evaluation and impact information, are now being used to develop an RBL strategic plan for our recovery services.



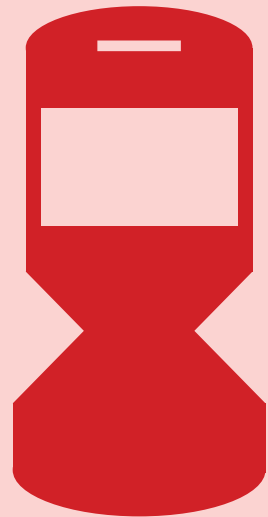
# 2020 in numbers



# 10 million



people watched *VE Day: A Musical Celebration* on BBC One, part-funded by the RBL



The 2019 Poppy Appeal raised **£46.5 million** and was supported by 3,728 volunteer Poppy Appeal Organisers



## 4,242

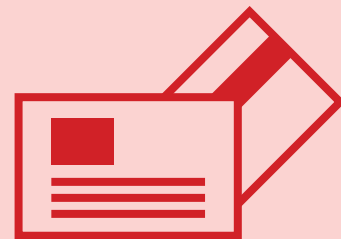
people contacted our War Pensions and Armed Forces Compensation service for support. We helped 1,001 people secure funding of £770,000



We received **37,341** requests for support and improved the welfare needs of those people by 27% on average

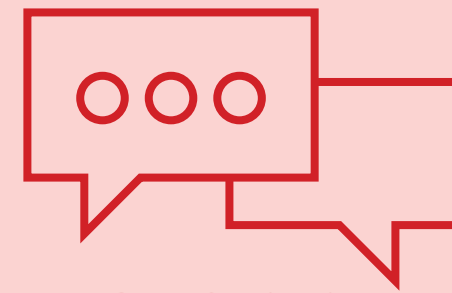
## 7,668

grants were made to individuals, totalling £11.7 million



## 56%

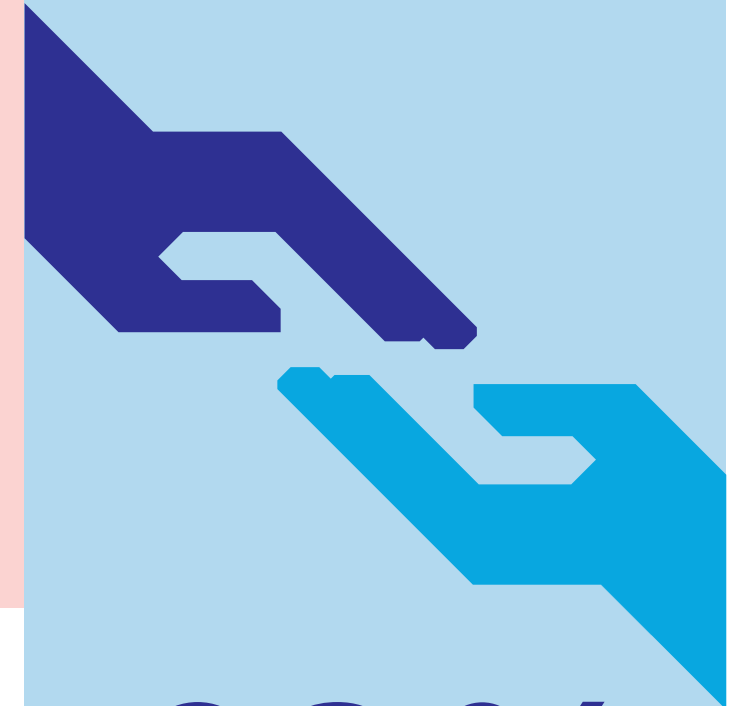
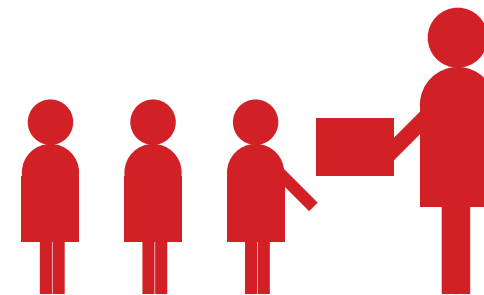
Those who accessed our specialist debt and money advice service reported a 56% improvement in their financial situation on average



## 3,800

people were supported by our Branch Community Support service and more than 40,000 telephone calls were made

We distributed **31 million** poppies, 7 million pin badges and 16,000 school packs

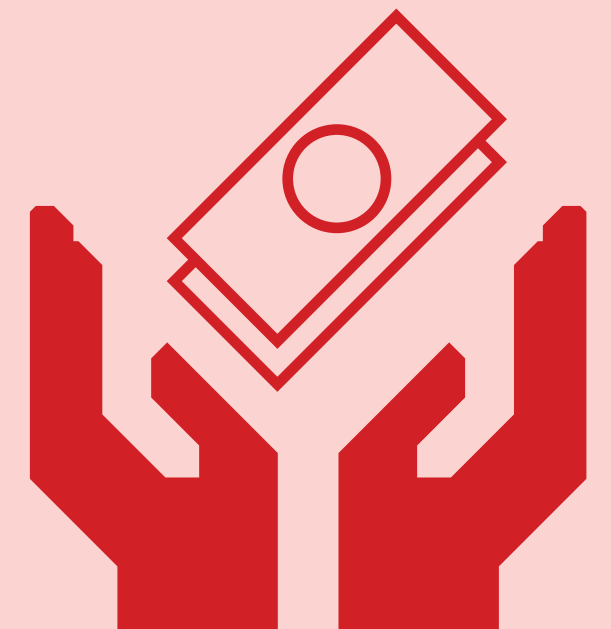


# 83%

of carers felt that they had increased confidence in their ability to cope in caring for the person living with dementia following intervention from the Admiral Nurse service

The Royal British Legion provided people with financial support that equalled

# £12.6 million





# Ambassador stories



“We’ve previously raised money on our own, but the Legion has taken it to another level. To see Jamie on his trike is incredible”

## Jamie Wells

**Armed Forces charities team up to provide disabled boy with purpose-built trike**

Six-year-old Jamie has faced major health setbacks throughout his short life. Born with Down’s syndrome, at eight months old he developed a devastating form of epilepsy: infantile spasms, which left him confined to hospital for long periods and unable to swallow. Even today, he is fed through a tube and is not yet able to talk or walk.

His parents, Graham and Leanne Wells from New Brighton, Wirral, had already raised funds to adapt his room. Now they wanted to raise almost £12,000 for a trike and a specialist bed to allow Jamie to go on holiday and spend time with his grandparents.

Army veteran Graham served for almost a decade with the Royal Signals and now works as an electrician. Leanne studies occupational therapy at Liverpool University. “We were keen to give Jamie a better quality of life,” says Leanne, “and had been looking at ways we could raise the money.”

Leanne spoke to Royal British Legion Case Officer Colette Hitchmough, who then reached out to other military charities including ABF The Soldiers’ Charity, The Kyte Charitable Trust and the Royal Signals Charity. Together, the four organisations were able to provide the funds required.

“We’ve previously raised money on our own,” says Leanne, “but the Legion has taken it to another level. I speak to Colette regularly now and to see Jamie out on his trike with his nine-year-old brother Leo is just incredible.”

“The Legion is delighted to have been able to coordinate this effort to provide the funds needed to improve Jamie’s quality of life,” says Colette.

“The support from the other military charities has been brilliant and has allowed us to put this support in place. Jamie has demonstrated incredible bravery and resilience and it’s the least he deserves.

“This is a tangible example of how your donations at the Poppy Appeal every November are used to support our Armed Forces community throughout the rest of the year.”

## Terry Barnett

**Seventeen years out of the Army, this telecoms engineer’s life fell apart through alcohol dependence. The RBL helped him on the path to recovery.**

Terry, 49, from Solihull in the West Midlands, served in the Army within the Royal Corps of Signals for almost five years. After leaving service in 1992, he worked in telecommunications for 17 years.

“The Legion lifted the pressures and worries I had off my shoulders”

“In the background, alcohol was a presence,” admits Terry. “It had always been part of the culture in the military, a way to unwind, and I took that through to civvy life and soon became more and more dependent on it.”

In 2019, Terry was in desperate need of help – he had lost his job and his family, and was falling into debt. He finally decided to acknowledge his addiction and reach out. He called the Royal British Legion contact centre.

“I was scared to initially pick up the phone to admit I needed help,” he says. “It took a lot of time for me to build up the courage to make that call.”

The RBL provided Terry with a supported payment towards a fridge for his home, shopping vouchers and payment of a Debt Relief Order. The RBL’s Employment and Financial Support Advisor recommended applying for limited capability benefits, which was successful. Along with regular phone calls to check in, the RBL team also referred Terry to counselling sessions and advised on a local support addiction service, setting him on a path to sobriety. His council tax was paid, allowing him to remain in his home as the threat of bailiffs had been removed.

“All the little things the Legion have supported me with have made a big difference,” says Terry. “They lifted the pressures and worries I had off my shoulders and this allowed me to begin to address my addiction and seek the help I needed without having to worry about keeping a roof over my head or seeking work.

“The case officer and advisors I spoke with at the Legion were understanding. They never gave up on me and it was that contact on a regular basis that really kept me going over the past year to stay sober and get on the right path.”







**John Devlin**  
**Army veteran cheated death in Iraq and PTSD back home to become a pro golfer**

John signed up for the British Army at the age of 16 to escape the gang culture in Liverpool. By the time he was 18, he was serving in the 2 Lancs (King's) Regiment on tour in Iraq.

He was seriously injured when he was in a search team looking for Improvised Explosive Devices (IEDs) as part of a Quick Reaction Force. "We were sent to recover a broken-down vehicle when a sniper hit me, leaving me with a six-inch scar across my shoulder," he recalls. "An inch to the left or a few inches lower would have been fatal."

After service, John admits his life was chaotic. He went through a string of different jobs, lost his mum to pancreatic cancer and was unable to settle. Then he called the Royal British Legion.

"I spoke to a lady called Michelle, who was great. She came out to see me, took me shopping; she helped me get my flat and some much-needed mental-health support. I'll always remember her. She was the first person to help me. I was in such a bad place;

looking back now, it was massive for me." The depression and anxiety caused by things John witnessed on tour had followed him back to civvy street. "I went back to the Legion for an assessment," says John, "and they sent me to a doctor who diagnosed me in less than an hour: severe PTSD. I started getting help then."

But while the RBL may have saved his life, the combination of a strong family bond and a love of golf has kept John on the road to recovery. Through a golf charity called the On Course Foundation, John found himself playing – and winning – for Great Britain in a series of military veterans' tournaments against the USA.

Gillian McKinnon, Area Manager for the Royal British Legion in Cheshire and Merseyside, says, "John is one of the Legion's real success stories; we are so proud of everything he has achieved."

"Our Armed Forces community make so many contributions and sacrifices that the public often don't see. Life in the Armed Forces comes with unique challenges for those serving and their families, both during and after service. The Legion is there every step of the way, throughout their lives, whenever they need us."

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**“Michelle from the Legion came out to see me; she helped me get my flat and some much-needed mental-health support. I was in such a bad place; it was massive for me”**

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D-Day veteran Seymour 'Bill' Taylor was shielding at home in Colchester, Essex, during the Covid-19

pandemic, but was able to take part in the 75th anniversaries of VE and VJ Day via video calls



**Our ambition** is to ensure that Remembrance is understood and available to everyone and passed on to the next generation. We are proud to honour and remember the service and sacrifice of all British and Commonwealth Armed Forces, and other foreign forces under British command, since the First World War. Remembrance is what the RBL is best known for. It is part of our charitable remit. But it is more than that: it is our duty. For as long as the Royal British Legion exists, we will remember them.

**Aims set out in the 2019 report**  
Our Remembrance aims, as set out in last year's annual report, were to continue to play a central role in the planning and delivery of commemorations. This year, that would include the moments that marked the end of the Second World War: VE Day 75, the 75th anniversary of Victory in Europe, and VJ Day 75, the 75th anniversary of Victory over Japan. We would ensure the representation of veterans and the Second World War generation across the May bank-holiday weekend to mark VE Day 75. We would also deliver a programme of activities for VJ Day 75 that accurately reflected the contribution and sacrifice of British, Commonwealth and Allied Forces, and the civilian experience during the final campaign of the Second World War. We planned to provide an accompanying programme of exhibitions and activities for physical and virtual visitors to the National Memorial Arboretum to pass on the stories of those who lived through the Far East campaign and remember those who sadly never returned. Finally, we planned to deliver an educational programme and materials for young people, highlighting

the relevance of the Second World War generation's experience in the context of the challenges faced by the nation as a result of the Covid-19 pandemic.

**2019 Remembrance activities**  
Veterans were on parade once again for the 2019 Festival of Remembrance, marking the 75th anniversary of the major military operations of 1944: Monte Cassino in Italy, Kohima/Imphal in India and the D-Day landings in Normandy. We invited 44 veterans of those campaigns to the Royal Albert Hall and the audience gave them a tumultuous reception. The BBC One broadcast reached an audience of 5.7 million (31.2% audience share) and gained one of the highest approval ratings of the year.

Other RBL events in the 2019 Remembrance season included the Garden of Remembrance ceremony at St. Paul's Cathedral. On Remembrance Sunday 2019, the RBL met its enduring commitment to the organisation of The Cenotaph Dispersal on Whitehall with the participation of up to 10,000 veterans in a March Past the Cenotaph. Veterans from 218 ex-Service Associations and 36 associated civilian organisations participated in the televised ceremony.

**Impact of Covid-19 on our plans**  
The Covid-19 pandemic disrupted or forced the cancellation of most large-scale events, so we had to comprehensively revise our commemorative plans. Although these were all changed dramatically, every planned activity happened in some form, and we were able to deliver meaningful events at the heart of the national commemorations.

Throughout the pandemic, we have paid tribute to today's serving personnel as they assist with the Covid-19 response in their roles of medical staff, engineers, hospital builders and suppliers of tests and protective equipment.

**75th anniversaries of VE and VJ days**  
2020 saw the 75th anniversary of VE Day, the end of the conflict in Europe, and of VJ Day, the end of conflict in Japan, and, with it, the end of the Second World War. We were determined to meet the challenge set by HM The Queen on VE Day, that the veterans of the South East Asia campaign were not to be forgotten come VJ Day.

For VE Day in May, the RBL played a significant role in securing the 'at home' participation of veterans and community groups to mark the 11am moment as HRH The Prince of Wales and HRH The Duchess of Cornwall laid a wreath and floral tributes at their local war monument on the Balmoral Estate.

We provided an online livestream of the diverse programme. A Zoom performance by an orchestra comprising serving members of the Armed Forces and emergency services was followed by shared VE Day memories and a virtual VE Day singalong. We hosted 185 web pages of VE Day thank-you messages and even published a VE Day fritters recipe from chef and social influencer Melissa Hemsley. The livestream was viewed by 283,000 people.

In the prime evening viewing slot, the RBL part-funded the BBC One production *VE Day: A Musical Celebration*. The programme combined veteran testimony



Left: The 2019 Festival of Remembrance in the Royal Albert Hall

Opposite: The RBL's new Remembrance Glade, created in partnership with the National Memorial Arboretum





with musical performances from the Buckingham Palace quadrangle. The broadcast, which featured some of our care home residents, concluded with an address by HM The Queen. It drew an audience of more than 10 million and achieved an audience appreciation index of 91, which is exceptionally rare. The RBL helped to arrange for a Second World War WREN named Edna to have her wartime medals returned during a surprise video call with Joanna Lumley. The resulting video was hugely popular on social media channels.

#### 70th anniversary of the start of the war in Korea

The year also marked the 70th anniversary of the start of the third-deadliest conflict of the 20th Century – the Korean War. On 25th June, 2020, the RBL hosted a small and symbolic socially distanced commemoration at the National Memorial Arboretum to mark the occasion. The Ambassador of the Republic of South Korea, Her Excellency Enna Park, spoke warmly of her country's gratitude to the UK Armed Forces that defended her country's freedom, which ultimately led to its current democratic and economic success. She added: "The Korean Government and people will continue, as it has done for many years in collaboration with the Royal British Legion, to support the activities of UK veterans of the Korean campaign."

#### The National Memorial Arboretum

The National Memorial Arboretum was opened by HRH The Duchess of Kent in 2001. Its hundreds of memorials are set in a calm, reflective landscape of 150 acres, and its 26,000 trees are now growing to maturity, like the Arboretum itself. At its centre is the Armed Forces Memorial, dedicated by HM The Queen in 2007 to honour all those in military service killed on active duty since 1945.

In line with many others in the heritage and tourism industry, the National Memorial Arboretum closed to the public on Sunday 22nd March. While staff understood the part they must play in fighting the pandemic, closing for an indefinite period was hard for a team that thrives on welcoming visitors and sharing the stories that our memorials hold.

The Arboretum was one of the first UK visitor attractions to reopen to prebooked visitors on 8th June. Since this date, the staff and volunteers have continually adapted how they work in line with changing Covid-19 restrictions,

aiming to provide a safe, welcoming environment for people to remember lives lost and to celebrate lives lived.

In August 2020, the National Memorial Arboretum was chosen as host venue for the RBL's commemorations for VJ Day 75 and the end of the Second World War. On the day, BBC One featured a live, two-hour broadcast attended by 250 VJ veterans and descendants, plus dignitaries including HRH The Prince of Wales, HRH The Duchess of Cornwall and the Prime Minister. Veterans and guests were seated on benches right across the Zone with beautifully decorated memorials and trees. The scene provided a fitting backdrop for celebrating the wealth of cultures that served and sacrificed together in the Far East. The event included the testimony of veterans from across the Commonwealth and civilian internees, as well as a diverse musical programme. The service introduced a new form of commemoration and showed how something better could be created by thinking differently. It was well received, giving the team the confidence to continue to innovate.

Visitor surveys reveal the Arboretum continually benchmarks higher than the industry average among the UK's top attractions taking part. The National Memorial Arboretum is living up to its ambition to be the nation's place to remember, a world-class setting, freely open to all despite the uncertain times we have faced.

#### Passing the torch to the next generation

Learning resources and activities are an important part of our engagement with youth. The National Memorial Arboretum worked with several organisations to produce a range of online resources and activity packs – featuring puzzles, craft activities and recipes – to engage young people and adults in remembrance of VJ Day and the diverse communities who served in the Far East. The packs were distributed across the nation by housing providers, the Department for Digital, Culture, Media and Sport, Youth Unite and the National Activity Providers Association, as well as being available on our website. The National Memorial Arboretum also commissioned an online exhibition exploring VJ Day through the eyes of today's young people, while a graphic artist created a striking series of images that explored how the country we know today was shaped by the events of 75 years ago.

Opposite: The Central Band of the RAF play at the Festival of Remembrance 2019,

which marked the 75th anniversaries of the great battles of 1945



“The National Memorial Arboretum is living up to its ambition to be the nation’s place to remember, a world-class setting, freely open to all despite the uncertain times we have faced”

We worked in association with the National Literacy Trust to develop materials that included bitesize activities, lesson and assembly plans, and whole-school activities for children 4 to 16 years old. These resources conveyed one of two themes: Working Together (collaboration in the Second World War) and Then and Now (exploring parallels between the Second World War and Covid-19 generations).

We also provided informal learning resources, such as creative writing and art exercises, and we launched a book club. Its first selection was *Now or Never* by Bali Rai, a novel set among the British Indian Army at Dunkirk.

Working with Girl Guides on a Remembrance activity pack proved extremely popular, with 20,000 downloads against an average download of 600 for the Adventures at Home activity packs. This gave us a Remembrance reach to 600,000 Guides, from Rainbows to Rangers. We also established a relationship with the Youth United Federation to help extend our reach to Scouts, Cadets and other youth organisations.

#### Diversity and Remembrance

We continued to grow our relationships with BAME (Black, Asian and Minority Ethnic) groups and Commonwealth-descendant communities, ensuring that our Remembrance content and events reflected the huge contribution of the Commonwealth during two World Wars.

We worked with Lord Karan Bilimoria, Chairman of the Memorial Gates Council, to become partners in the annual Commonwealth Day ceremonies at the Gates. Opened by HM The Queen in 2002, the Gates are located next to Buckingham Palace on Constitution Hill and are dedicated to Asian, African and Caribbean contributions to Britain's defence in two World Wars.

The agreement, which comes into effect in 2021, will provide the RBL with an enduring and established platform for sharing Remembrance with the Commonwealth-descendant community in the UK, while providing the Memorial Gates Council with enhanced educational, promotional and eventing opportunities.



# Campaigning




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“Wherever policy is unfair to the Armed Forces community, we will campaign for it to be changed, lobbying Governments and seeking manifesto commitments from political parties”

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Opposite: Veteran Nick Fleming, 42 Commando, Royal Marines

**The Royal British Legion** is a powerful voice that champions the interests, welfare and contribution of the Armed Forces community in line with the principles of the Armed Forces Covenant. That Covenant commits the nation to offering the Armed Forces a fair deal: the same access to both Government and commercial services as that enjoyed by civilians. Our role is to hold the nation to that commitment.

The range of our campaigning is therefore broad. It could concern education and family wellbeing, housing, starting a career or accessing healthcare and financial assistance. Wherever policy is unfair to the Armed Forces community, we will campaign for it to be changed, lobbying Governments and seeking manifesto commitments from political parties. Over time, this work has made a big difference to the lives of serving and ex-serving personnel and their families. Sadly, though, there is always more to be done and this year was no different.

**Aims set out in the 2019 report**

In last year’s report we set out a number of aims. We would research and publish a new report on the interaction between state benefits and Armed Forces compensation. We would oversee the successful completion of our Count Them In campaign, with Parliament formally agreeing to the inclusion of an Armed Forces question in the 2021 census. We would pursue our Stop the Service Charge campaign, to ensure Indefinite Leave to Remain fees are waived for Commonwealth personnel and their dependants when personnel have served four years or more.

We wanted to ensure a future for the Veteran Medical Funds, which the RBL administers on behalf of the Government. We planned to establish a new Veterans Scotland Policy Group for the sharing of best practice across the military charity sector in Scotland and greater collaboration in advancing issues with the Scottish Government. We wanted to pursue changes to the Pupil Level Annual School Census (PLASC) in Wales to ensure that measures aimed at supporting service children are properly targeted and evidenced. Our last aim was to prepare regional manifestos in London and the West Midlands ahead of the next mayoral elections.

**Benefits report**

Every year, the RBL works with many veterans who receive compensation for injuries. These veterans must navigate the

complex benefits system, which doesn’t always accommodate military compensation effectively or recognise injured veterans’ unique circumstances. We have undertaken research to explore this interaction between military compensation and welfare benefits more closely. In November 2020, we published the results of this research in the form of a report, which – to our knowledge – is the first focused study on the relationship between military compensation and the benefits system. It contains a series of recommendations to improve the benefits journey for injured veterans.

**Count Them In**

We are delighted to report that earlier this year, the Governments and Parliaments in both Westminster and Edinburgh finally approved the inclusion of an Armed Forces question in the 2021 census. This means that, for the first time, members of the Armed Forces community who reside in Great Britain will be captured in the national census, helping national and local Government, service providers and charities to gain a better understanding of the Armed Forces community and target their resources more effectively where areas of need are identified.

Whilst there will unfortunately be no new census question in Northern Ireland, we understand more work will be undertaken by the Northern Ireland Statistics and Research Agency and the Ministry of Defence to link the Service Leavers database to the 2021 census, achieving better estimates of the Armed Forces community resident there.

It is exceedingly rare for any new questions to be added to the census, especially those arising from an external recommendation, so this is a very significant achievement that should be of benefit to the Armed Forces community for years to come.

**Stop the Service Charge**

We continue efforts to highlight the financial pressures Commonwealth personnel face when trying to apply for Indefinite Leave to Remain in the UK, despite their years of service in Her Majesty’s Armed Forces. We have repeatedly called on the Government to abolish visa fees for Commonwealth personnel and their families who have served four years or more.

Using the VJ Day 75 commemorations to shine a spotlight on the issue, the campaign continued to attract national media coverage. Whilst progress remains slow,





both the Ministry of Defence and the Home Office are actively looking into the question and the Scottish Government has confirmed its support for our campaign.

**Housing**

In June, new guidance was published that will ensure divorced or separated spouses and partners of service personnel living in England can access housing support on the same terms as other Armed Forces families.

The guidance meets the RBL's 2017 General Election Manifesto request by recognising that the sacrifices and commitment of Armed Forces families should not be forgotten in the unfortunate case of divorce or separation.

We now look to the devolved administrations to provide similar support for divorced or separated spouses and partners of service personnel on housing waiting lists.

**Regional policy**

In Scotland, we helped establish a Policy Group within Veterans Scotland, which brings together 80 organisations supporting the Armed Forces community in Scotland. The group shares policy best practice and fosters greater collaboration in advancing issues with the Scottish Government.

In Wales, following a successful campaign led by the RBL, the First Minister announced an extra £275,000 in June to continue the Armed Forces Liaison Officer (AFLO) posts. AFLOs work with Welsh local authorities, health boards and the third sector to ensure the Armed Forces Covenant is upheld across Wales.

A month later in July, following pressure from the RBL to build on the assistance secured for the last academic year, the Welsh Education Minister announced £250,000 for service children in schools across Wales during 2020/21, to be provided through the Supporting Service Children in Education (SSCE) Cymru project.

In Northern Ireland, we have welcomed the introduction of a new Veterans Commissioner and continued to advance our Insult to Injury campaign, calling for parity of treatment for injured veterans living in Northern Ireland with their peers elsewhere in the UK when accessing social care. With the establishment of the new Veterans Commissioner's office, we intend to raise this issue with them and push for a successful conclusion.

**Manifestos**

The political calendar was not immune to Covid-19 disruption: the English mayoral elections, which were due to have taken place in May 2020, were postponed to May 2021. We have therefore had to amend our planned election activity.

Our London Manifesto was reworked into a Plan for London, which was published in spring 2020 and led to several policy discussions with local politicians. Our West Midlands manifesto and Best Practice Guide for Greater Manchester, meanwhile, have been put on hold and will now be launched in early 2021 to reflect the new election scheduling.

Over the past year, we have also been researching, consulting and drafting manifestos for the Welsh and Scottish Parliamentary elections, with the latter being led by our sister charity, Poppyscotland. Both documents are on track to be published in early 2021 and highlight the specific needs of the Armed Forces communities in Wales and Scotland.

**Tackling loneliness and social isolation**

The RBL's 2018 research, Loneliness and Social Isolation in the Armed Forces Community, highlighted that some elements of an Armed Forces lifestyle – such as a culture of self-reliance, increased volume of transitions and long periods of separation from family – may increase vulnerability to loneliness and social isolation.

This research supported eight clear recommendations to local and national

Government. As the restrictions of Covid-19 once more brought this vital policy area to the fore, over the summer of 2020 we took stock of the progress we had made on our campaign to see councils improve the measures they take to address loneliness and social isolation in their local Armed Forces communities.

Accordingly, we contacted all the chairmen of local authority health and wellbeing boards in England in September to highlight this important issue. Initial responses and interest from councils has been very positive and we will continue to engage with key local public health representatives.

**Legislation**

In March, the Government introduced the Overseas Operations (Service Personnel and Veterans) Bill, which makes provision about legal proceedings in connection with overseas Armed Forces operations.

The RBL welcomed the intent of the Bill, but expressed concerns with Part 2 of it, which proposed to introduce a time limit for civil claims from veterans, serving personnel and their families where one did not currently exist.

In so doing, the RBL argued that Part 2 of the Bill risked breaching the Armed Forces Covenant, given that no such time limit would exist for civilians in relation to claims against their employer. We briefed MPs on our concerns in advance of the Bill's second reading and we continued to engage with Parliamentarians as the Bill progressed through Parliament.



Opposite: Darren Fuller was among the veterans painted to highlight our Count Them In campaign, which sought to include questions about service in the census

Left: Veteran Grant Scott, Bombadier, 16 Regiment, and 29 Commando, Royal Artillery



# Membership



**Our community** of more than 230,000 members sits at the heart of the Royal British Legion, playing a vital role in everything we do. Many of our members are actively involved in one of the RBL's 2,500 branches, carrying out local welfare, fundraising and championing Remembrance in their local communities.

## Aims set out in the 2019 report

We planned to implement the key findings from our Membership survey carried out last year. We aimed to review our Membership governance arrangements and ensure that they are aligned to those of the wider RBL. We would implement the findings from our review of Membership training and launch a new training prospectus. We planned to streamline the Membership renewals process and reduce card distribution times. Lastly, we said we would introduce a Membership welcome pack for new joiners and improve how we use social media to promote Membership.

Our review of Membership governance arrangements highlighted some key areas for improvement, including financial compliance and Membership engagement, and we have started a programme of work to address these. We have redesigned our training courses; our new courses use both traditional and digital tools, and we are implementing a new Learning Management System. We have reduced Membership-card distribution times; cards are now produced and dispatched on the same day. Finally, we have launched our new welcome pack, which has proved to be very popular among both new and existing members.

## Helping communities cope with Covid-19

When, early in the year, it became clear that the impact of Covid-19 was becoming a significant challenge for much of the population, we shifted our focus towards helping our Membership provide support in their local communities, assisting those in need. To keep the spirit of comradeship alive during the lockdown, we introduced virtual branch meetings via video link.

The RBL's vision is to 'bring together our nations, communities and individuals to create better futures for our Armed Forces community and their families'. We saw a renewed sense of purpose in many of our branches and members as they were able to realise this vision in response to the challenges generated

by the pandemic. Our branches and members quickly responded to the needs of our community, mobilising their efforts to increase the telephone support service, providing the most vulnerable and isolated people, alone at home, with much-needed reassurance from the outside world – a friendly voice and regular contact. Our Branch Community Support service contacted more than 16,800 people, compared with 3,800 the previous year, and calls more than quadrupled, exceeding 40,000.

## Covid-19 Community Response Awards

In recognition of the remarkable community spirit displayed by many members and branches, we created the RBL Covid-19 Community Response Awards in late summer. There were more than 90 nominations in all, each featuring extraordinary stories. The winners demonstrate the courage, creativity and passion that members and branches bring to the communities they serve.

## Creative Fundraising Category

Cdr Stafford Seward used his tractor and trailer to do the green-waste collection service for local residents when it was suspended by the council during the lockdown. The tractor and trailer were decorated with the RBL logo and bunting, and Stafford raised more than £2,000 in donations for the Poppy Appeal.

## Internal Team Collaboration Category

Paul and Mo Wallace led a team of eight volunteers to provide help to those who needed it most during the pandemic. Working with the Area Team, local businesses and community groups, they were a lifeline for the vulnerable and isolated.

## Community Collaboration Category

Fivemiletown Branch made up 75% of the local Coronavirus Response Group, which established a foodbank and planned daily deliveries of supplies from local shops and the chemist. In addition, they sourced and distributed PPE equipment for local community nurses, care homes and the acute hospital, as well as helping to raise donations from local businesses, community groups and the public.

## Individual Impact Category

Mark Brennan (Hadleigh Branch) never gave up on his plans for VE Day, despite the pandemic. He completed a memorial garden, painting a large mural

commemorating the landings at Juno beach, one of the five beaches of the Allied invasion of German-occupied France in the Normandy landings during the Second World War. Then he filled the town with 40s music and songs played from a touring flatbed truck.

## Digital Response Category

Steve Bishop supported the Mass Events team to deliver the Poppy Ride Virtual event in May through the Facebook Cycling Group. He answered questions and queries from other cyclists, supporting those who were struggling to keep their training up during lockdown. He also organised and hosted virtual rides and training for the RBL cycling community.

## Commemoration

The pandemic challenged our ability to mark both VE Day and VJ Day in our traditional manner. One of our members, Steven Carr (Huntingdon Branch), began a campaign enabling branches globally to take part in saluting VE Day remotely. As a Standard Bearer, Steven originally planned to take part in an Act of Remembrance in his back garden. He posted his idea on social media and soon had 350 branches holding a virtual parade to mark this important event.

## Annual Conference

Our Annual Conference this year was postponed from May to September and moved online due to Covid-19 restrictions. The RBL made history with its first-ever livestream of its conference. The worldwide audience cast virtual votes and asked questions through an online submission box.

Opposite: Timothy Swinburn, member of the Royal British Legion Riders Branch



# Volunteers and staff



## Volunteering

We are grateful for the support of more than 55,000 dedicated volunteers, without whom the Royal British Legion's work would not be possible.

### Aims set out in the 2019 report

Our Volunteering aims for 2020 were to extend the reach of our volunteer supervisor training and improve our Excellence in Volunteer Management Programme. We also committed to reviewing our volunteers' wellbeing, ensuring that we are addressing both their physical and mental health. We planned to introduce a suite of reward and recognition tools to enable supervisors to thank their volunteers in a meaningful way, and to improve how we manage volunteer data, so that we are able to maximise the experience of our volunteers.

### Looking after volunteers during the pandemic

Nurturing the physical and mental wellbeing of our volunteers has been even more important during the pandemic, as we have all faced new challenges. As well as covering this topic in more detail in our training webinars and drop-in sessions, we introduced a fortnightly Wellbeing Resource Pack for our staff and volunteers. The pack gives updates on RBL activities and explains how volunteers can get involved. It also directs staff and volunteers to organisations and websites that can provide support with a wide range of issues that can impact our physical and mental health. To help supervisors reward and thank their volunteers virtually during National Volunteers Week in June, we created a toolkit of resources and ideas.

Unfortunately, we were unable to progress our work on volunteer data this year. This will be addressed as part of the One Legion strategy, which seeks to improve the quality of our data and how we use it.

### Keeping going through Covid-19

Our volunteers continued to play a vital role in our organisation in 2020, despite the challenges presented by the pandemic. They ensured that the most vulnerable were still able to access the support they needed and that our fundraising activities could continue. The number of volunteer 'telephone buddies' organised through our branch network increased from 3,500 to more than 19,000 as the impact of Covid-19 grew. While volunteer visits to our care homes had to be suspended, our fundraising volunteers found different, innovative ways to raise funds in a Covid-19-secure way. This helped us prepare for

what was a very different Poppy Appeal in November 2020.

## Our staff

We are particularly grateful to our 1,675 staff this year. Their dedication has ensured that the RBL's activities continued in the extremely challenging circumstances that prevailed as a result of the pandemic.

Outside of our care settings and the National Memorial Arboretum, most of our teams switched to being based at home. Staff in our support services showed exceptional dedication to ensure we had the IT capability to continue working effectively and that our buildings were Covid-19 secure for those who still needed to use them. Our HR and Learning and Development Teams quickly developed resources to support staff remotely, helping them cope with uncertainty and encouraging the maintenance of as healthy a lifestyle as possible. We are grateful to the many staff who agreed to be furloughed, enabling us to retain many jobs.

### New strategy, new projects

We were able to progress a number of people-related projects during the year. Work started on a new Inclusion Strategy that recognises the clear advantages that stem from having an inclusive culture that celebrates diversity across all our people. Following a full audit in 2020, we will have a number of recommendations to work through, alongside a new Inclusion Strategy for implementation in 2021. 2020 was also the first year of our Leadership Development Programme. This is an Institute of Leadership & Management-accredited programme for middle and senior managers across the RBL, designed to enhance core leadership skills.

### Improving our employer proposition

The RBL is keen to develop its brand as a large charity employer and establish a message for candidates that reflects the strong ethos and culture that we are developing. Our new Employee Value Proposition (EVP) sets out who we are, what we can offer to prospective candidates and why people should consider a role at the RBL as part of their career. In parallel, we have made significant progress on our Pay and Benefits review, resulting in improved core benefits for staff, including pension provision, annual leave and sick pay, as well as maternity/paternity and adoption leave. A new grading structure, together with a voluntary benefits platform, will be introduced in 2021. This work aims to enhance our candidate pool and increase our appeal within the competitive charity employment sector.

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**“The number of volunteer ‘telephone buddies’ organised through our branch network increased from 3,500 to more than 19,000 as the impact of Covid-19 grew”**

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# Fundraising



Opposite: Barry and Tricia Oldham, from Clun in Shropshire, have been Poppy Collectors for 10 years

“This year, when the pandemic curtailed so much of our traditional face-to-face event fundraising, we were particularly grateful to our loyal supporters”

**Though we are best known** for our national Poppy Appeal, our range of fundraising activities is as diverse as the individuals and organisations that support us. This year, when the pandemic curtailed so much of our traditional face-to-face event fundraising, we were particularly grateful to our loyal supporters. They adapted their activities and achieved impressive results.

#### Aims set out in the 2019 report

The aims for 2020 we set out in last year's report were to complete the review of our fundraising strategy and implement its recommendations. We planned to commemorate the 75th anniversaries of VE Day and VJ Day, working in collaboration with the rest of the organisation to execute a UK-wide approach to fundraising around these significant anniversaries. To better monitor the efficacy of our fundraising, we wanted to improve our data. We would review our product and media portfolios, ensuring that each of our products generates sustainable, cost-effective income for the RBL. To drive repeat participation, we would enhance the supporter experience and improve how we communicate with our supporters so that we become more audience-focused. We wanted to develop our corporate partnerships outside of the Poppy Appeal. Lastly, we aimed to complete the review of the Poppy Appeal and Community Fundraising with a view to developing a plan to implement the recommendations.

#### The impact of Covid-19

From early 2020, it was obvious that Covid-19 would have a significant impact on how we traditionally raise funds: we would need an alternative method of delivering our biggest fundraising activity, the Poppy Appeal, in November 2020. Two things were in our favour. Firstly, we have a highly committed group of supporters. Secondly, there are many ways for people to support us, from buying poppy products through our Poppy Shop website to remembering us in their will. That said, 2020 was still a tough year for fundraising.

Corporate giving was impacted as our partners battled with the economic crisis, whilst community fundraising suffered as a result of the national lockdown and our entire events programme being cancelled. Delays in house sales and in probate being processed led to income from legacies being less than budgeted. In response to these strong headwinds, we concentrated on making efficiencies within fundraising,

cutting our costs where possible and adapting our campaigns to improve the return on investment.

On a more positive note, individual donations remained strong and income from trusts and philanthropy also exceeded its target.

#### Rethinking the Poppy Appeal

As we entered lockdown in March, we instigated our Poppy Appeal contingency programme, finding new and Covid-19-friendly ways of allowing the public to show their support for the Armed Forces community and take part in Remembrance. We encouraged people to donate online and download a poppy, which could be printed at home and displayed in their window. We also enabled people to order paper poppies online or by telephone and distributed a new fundraising pack full of fun ways for our supporters to raise money, including a virtual Poppy Run.

Enormous thanks must go out to our wonderfully committed Poppy Appeal Organisers. We have nearly 4,000 and, in the run-up to the 2020 Poppy Appeal, we spoke with every one of them several times. We wanted to reassure them that their commitment to us was not in question and, if they felt unsure about collecting because of the pandemic, that was fine. Many were keen to continue collecting where possible within local guidelines and where it was safe to do so. Although the November 2020 Poppy Appeal was severely impacted by the national lockdown, we are hopeful that the Poppy Appeal in November 2021 will see the safe return of all our Poppy Appeal Organisers and collectors to our streets.

#### Corporate fundraising

Alongside our own fundraising activities, our corporate partners really did step up and support us during Poppy Appeal 2020. Sainsbury's and Morrisons supermarkets enabled their customers to add a poppy to their weekly shop for the first time, and all other supermarkets continued to allow our collectors in store. We were fortunate to have many new corporate supporters offering their help for the Poppy Appeal, and we recognise them in the Thank You page of this report.

#### Funds raised

As a result of the November 2019 Poppy Appeal being unaffected by the pandemic, together with the measures we put in place to counter the impact of Covid-19 in 2020, total fundraising income to the Group was £105.7 million in 2020 (2019





Opposite: Erin Bushell, Events Co-ordinator, Fundraising, making crafts to support the Poppy Appeal

– £123.7 million), which is only a 15% decrease on the previous year. Given the disruption of the pandemic through the latter half of our financial year, this net income figure is a massive achievement. It is a testament to the dedication of our supporters and the continued generosity of the nation.

**Responsible fundraising**

The RBL's approach to fundraising is driven by three principles:

- **Accountability:** Our own and third-party fundraisers must ensure that their fundraising is delivered to the Fundraising Regulator's standards.
- **Fairness:** We set out to treat all members of the public fairly. We try to explain clearly how donations can be made, how regular donations can be stopped and how supporters can change their communication preferences.
- **Respect:** We respect our supporters' privacy and continue to make use of the Mailing Preference Service and the Fundraising Preference Service.

The RBL is registered with the Fundraising Regulator and is a member of the Chartered Institute of Fundraising. We always aim to comply with the Fundraising Code of Practice and we make appropriate use of the Fundraising Regulator logo on our fundraising materials. Our Fundraising Promise is published on our website. This year, the RBL has raised funds in accordance with the relevant schemes and standards and we have not reported any breaches of the Fundraising Code of Conduct.

We also set out to comply with UK data-protection legislation. During 2020, we delivered online data-protection refresher training for all fundraising staff. We see complaints as an opportunity to better understand our supporters. In 2020, we received 911 complaints relating to fundraising activity, an increase on 2019. This year, we changed how we report complaints to include 'any notification of dissatisfaction'. We actively encourage supporters to give us feedback and have implemented new processes to analyse trends and improve our interactions with our supporters. By far the largest category of complaints was 'Addressed Postal Mail', representing 46.3% of the total. We have invested in several projects to reduce the number of complaints we receive in relation to our Direct Mail campaigns. This year, we piloted a new strategy for planning supporter communication around

Remembrance, driven by insight from our supporter database. The aim is to deliver a better supporter experience by approaching supporters with propositions more aligned to their interests.

We recognise that we have an obligation to protect those who may be vulnerable. We do this in a way that strikes a balance, setting out to protect potential donors while also being respectful of any desire they express to support us. In 2020, we further strengthened our safeguarding arrangements by appointing a Designated Safeguarding lead for Fundraising, updating our 'Supporters in a Vulnerable Circumstance' policy and updating our gambling self-exclusion process to make it easier for supporters to self-exclude.

Some of our fundraising activity is carried out by our own staff, some by volunteers, and a small proportion is delivered by professional fundraising agencies. All commercial third parties are contractually obligated to be registered with the Fundraising Regulator. We work in partnership with the fundraising agencies we employ; we listen to a proportion of all fundraising calls made by third-party fundraising agencies on our behalf and we visit their premises regularly to provide training on our standards. The level of monitoring and training is proportionate to the respective agency's performance. This is determined during weekly status calls and quarterly review meetings.

**Thank you to our major supporters**

We are so grateful for all donations that we have received over the past year from those companies, trusts and individuals who have so generously supported us.

Your support for the Armed Forces community helps us to fight for them, campaign for them and remember their unique contribution. Our life-changing work would not be possible without our supporters' commitment and generosity.

In particular, we would like to thank the following, who have contributed £20,000 or more in financial contributions or through in-kind support during 2020:

- 288 Group Ltd – Westminster Collection
- Ahmadiyya Muslim Elders Association
- Ahmadiyya Muslim Youth Association
- AmazonSmile
- Armed Forces Covenant Fund Trust acting on behalf of the Ministry of Defence and the Cabinet Office
- Armed Forces Covenant Fund Trust





Coventry Building Society  
 Docombe Global Logistics Ltd  
 The English Football League (the EFL) and its member clubs  
 Ernest Hecht Charitable Foundation  
 Fondation Charitable Barthélémy  
 Girlguiding UK  
 Golden Charter  
 HomeServe  
 J A Kemp  
 Marks & Spencer  
 Mayer Brown  
 The Michael Uren Foundation  
 The National Lottery Community Fund  
 Network Rail  
 Oak Foundation  
 PayPal Giving Fund UK  
 Pets at Home Ltd  
 Poppies4Kits  
 The Poppy Ball Committee, under the Chairmanship of Rula Al-Adasani and Princess Marina Lobanov Rostovsky  
 Mr Donald Porteous  
 The Premier League and its member clubs  
 Procter & Gamble  
 QVC  
 Rothschild & Co  
 Sainsbury's Group and its subsidiaries  
 The Scouts and Scout Shops Ltd  
 Patricia Spooner  
 Daniel Stewart  
 Sir Howard and Lady Stringer  
 Transport for London  
 UK Rail Delivery Group  
 WCA – Wayne Collins  
 Weightmans  
 Withers LLP  
 And eight anonymous funders

Every year, our branches and clubs undertake their own fundraising in support of the RBL, and we are grateful for their generosity, passion and commitment.

This year, we received 814 legacies totalling almost £20 million. A gift in a will is a thoughtful and generous way of helping those that we support, and we are extremely grateful to each and every person who chose to support us in this way.

Opposite: Kate Field, Events Manager, cycling outdoors in aid of the Poppy Appeal

## Aims for 2021

**2021 is an exciting year for the RBL as we celebrate our centenary and embark on our One Legion strategy. Our key strategic aims for 2021 are:**

- Implement plans to strengthen and improve the way we provide welfare support, ensuring that people can easily access the support they need, when they need it
- Launch our new brand identity, making it easier for people to recognise us and understand what we do, whether they need access to our services or want to support our work
- Continue to improve the way we run our care homes by introducing improved staffing and electronic care systems
- Celebrate our centenary, taking the opportunity to demonstrate our relevance, our impact and why the support of the public is as important now as ever
- Work with our partners to streamline the War Pension and Armed Forces Compensation appeals process
- Commemorate the anniversary of recent conflicts, such as Gulf War 30, and increase our engagement with diverse communities, ensuring that Remembrance is accessible to all
- Working alongside our wonderful Poppy Appeal Organisers, develop new, safe ways for people to support the Poppy Appeal during the pandemic and beyond
- Continue to campaign on behalf of the Armed Forces community, engaging with the Government on upcoming legislation, including the Overseas Operations (Service Personnel and Veterans) Bill and legislation to further incorporate the Armed Forces Covenant into law
- Develop the RBL's future plans for our recovery services, supporting people who are wounded, injured or sick and their families
- Develop our culture to align with our One Legion strategy, embedding a strong commitment and proactive approach to inclusion that celebrates difference and diversity
- Continue to implement the recommendations from the Fundraising Review, transforming how we raise money by becoming more audience focused
- Complete an independent Board Effectiveness Review, which will look at all aspects of our governance arrangements to ensure they are fit for purpose for the future
- Begin the journey of improving how we use data and insight to better connect with our supporters, customers, volunteers and members and to inform our decision making
- Create an accessible and user-friendly knowledge base, ensuring that everyone who accesses our services, as well as our supporters, volunteers, members and staff, receives consistent and up-to-date information



# Board of Trustees



**Lieutenant General James Bashall CB CBE National President**

James retired from the Regular Army in 2018 following 34 years' service, including tours in Germany, Afghanistan, Iraq, Libya and South Armagh. He later held the posts of Chief of Staff at Permanent Joint Headquarters, Director of Personnel at Army Headquarters and Commander Home Command, overseeing the support elements from training to welfare.



**Una Cleminson BEM TD National Chairman**

Una retired as a registered General Nurse in 2012 and was a Major in the Territorial Army. She has been a member of the RBL since 1971 and was previously a Trustee between 2010 and 2012.



**Lieutenant Colonel Joe Falzon OSJ BEM (Retd) National Vice Chairman**

Joe served in the Royal Regiment of Artillery for 37 years before joining the RBL as Head of Policy and Administration in 2001. He took early retirement in 2010, and was then elected as a Trustee in 2014 and re-elected in 2017. Joe was appointed as National Vice Chairman in 2019. He chairs the International Committee and is a member of the Governance Committee and of the Board of Trustees of Poppyscotland.



**Rodney Bedford**

Rod served for 19 years in the Grenadier Guards, and then for 18 years in the Kent Police. He was previously elected to the Membership Council, on which he served two terms of three years. He was elected to the Board of Trustees in May 2017 and is Chairman of the Property Committee and a member of the Branch Property Trusts Trustee Committee and the Audit & Risk Committee. Rod is the Royal British Legion member of the Board of Liberation Route Europe and currently runs his own company in France.



**Heather Spence (from February 2021)**

Heather served in the Royal Army Medical Corps TA for 11 years. She joined the RBL Women's Section at the age of 17. Heather was the Eastern Regional Standard Bearer for 20 years and won Deputy National Standard Bearer ten times before retiring from competitions in 2014. Heather serves on the Board of Trustees as Chairman of the Women's Section.



**Pat Chrimes OBE (to January 2020 and from September 2020 to February 2021)**

Pat served on the Board of Trustees as Chairman of the Women's Section between April 2017 and January 2020 and again from September 2020 to February 2021.



**Elizabeth Harrison (January 2020 to September 2020)**

Liz served on the Board of Trustees as Chairman of the Women's Section between January 2020 and September 2020.



**Jason Coward**

Jason has been an Appointed Trustee since 2014. He has been Chairman of the Membership Council since May 2019. He is also Chairman of the Board of Trustees of Poppyscotland, a member of the Governance Committee and a Trustee and Non-Executive Director at the National Memorial Arboretum (NMA). Outside the RBL, Jason runs his own marketing agency in Bristol.



**Denise Edgar (to May 2020)**

Denise joined the Board of Trustees in 2010 and was re-elected in 2014 and 2017. Denise completed her final term of office as a Trustee in May 2020.



**Paul Harris OGM**

Paul was co-opted as a Trustee in February 2018 and elected in May 2019. He served in the Army for 32 years, retiring as Lieutenant Colonel in 2006. He was a director of an international company, then owned a management consultancy from which he has retired. He has been Deputy Mayor of Gillingham since May 2019.



**Major General David Jolliffe CB FRCP**

David was appointed as a Trustee in 2012 and reappointed in 2015 and in 2018. He was commissioned into the Royal Army Medical Corps in 1967 and retired in 2003. David is Chairman of the Royal British Legion Republic of Ireland and is a member of the Audit & Risk Committee.



**Anthony Macaulay (to August 2020)**

Anthony was appointed as a Trustee in 2011 and reappointed in 2014 and again in 2017. He is a retired lawyer with extensive business and commercial experience. Anthony completed his final term of office as a Trustee in August 2020.



**Philip Moore TD**

Philip was appointed as a Trustee in 2014 and reappointed in 2017 and 2020. He was a Finance Director for nearly 20 years. He is now a Non-Executive Director at Bank of Ireland (UK) plc, Wesleyan Assurance Society, Skipton Building Society and Codan Forsikring A/S and a Governor of North Hertfordshire College. Philip chairs the Finance Committee.



**Anny Reid OBE**

Anny was elected as a Trustee in May 2016. She served in the Princess Mary's Royal Air Force Nursing Service for 30 years, the last four as Chairman of its trust. Anny chairs the Conference Committee and is a member of the Branch Property Trusts Trustee Committee, the Audit & Risk Committee and the Care Services Committee.



**Lieutenant Colonel David Whimpenny (Retd)**

David was elected as a Trustee in 2013 and re-elected in 2016 and again in 2019; he is now in his final term as a Trustee. He was commissioned from the Royal Military Academy Sandhurst in 1985 and retired from the Army in 2017. He now works for Crown Commercial Service. David serves on the Governance Committee and is Chairman of the Board of Trustees at the NMA.



**Debbie Sorkin**

Debbie was appointed to the Board in June 2018. She is National Director of Systems Leadership at the Leadership Centre, a charity working to strengthen leadership across public services. Debbie has extensive experience of working in the NHS and in social care. She leads for the Board on care and safeguarding and chairs the Care Services Committee.



**Elizabeth Butler FCA**

Liz was appointed to the Board in May 2018. In addition to being a chartered accountant, Liz has a portfolio of non-executive roles, including Board member and Chair of the Audit Committee of the Regulator of Social Housing and Chair of the Audit & Risk Committee of the Royal College of Veterinary Surgeons. Liz chairs the Audit & Risk Committee.



**Lynda Atkins DL**

Lynda was co-opted on to the Board in 2019. She served in the Royal Air Force and the Royal Electrical and Mechanical Engineers TA. She served as an independent County Councillor before being appointed Deputy Lieutenant in 2019. Lynda is Vice Chairman of the Membership Council, a member of the Finance and Property Committees and a Trustee of the NMA.



**Helen Owen (from May 2020)**

Helen was elected to the Board in May 2020. She is the Evaluation Lead at the charity GambleAware and a Governor at the University of Westminster. Helen chairs the Governance Committee and is a member of the Property Committee.



**Monica Risam (from October 2020)**

Monica was appointed to the Board in October 2020. She is the Group General Counsel of Lombard International. Monica is a non-executive member of The Elton John AIDS Foundation's Finance and Investment Committee and a Governor of The Legal Education Foundation.



**Tony Goodwin BEM (from May 2020)**

Tony was elected as a Trustee in May 2020. He served in the Royal Air Force for almost 40 years. Tony is a member of the Care Services Committee, the Branch Property Trusts Trustee Committee and the Property Committee.



# Board of Trustees

## Co-opted Members

The Trustees would like to recognise the support given by the following co-opted members, who bring their special expertise to the boards and committees on which they sit:

David Bennett Rees FIA  
Dr Jonathan Wittmann  
Jenny Rowe  
Vanessa Donegan  
Anthony Macaulay

## National President

Lieutenant General  
James Bashall CB CBE

## National Chairman

Una Cleminson

## National Vice Chairman

Joe Falzon

## Key Committees of the Board of Trustees and Current Membership

### Audit & Risk Committee

Elizabeth Butler (Chairman)  
David Jolliffe  
Rodney Bedford  
Anny Reid

### Finance Committee

Philip Moore (Chairman)  
Elizabeth Butler  
Lynda Atkins  
Vanessa Donegan  
Dr Jonathan Wittmann

### Governance Committee

Helen Owen (Chairman)  
Una Cleminson  
Jason Coward  
Joe Falzon  
Helen Owen  
David Whimpenny

### Property Committee

Rodney Bedford (Chairman)  
Gerry Nunn  
Helen Owen  
Lynda Atkins

### Conference Committee

Anny Reid (Chairman)  
Grant Parrott  
Hugh Ashton-Moore  
Philip Davies  
John Morrison  
John Gilmore

### Branch Property Trusts Trustee Committee

Jenny Rowe (Chairman)  
Anthony Macaulay  
Rodney Bedford  
Tony Goodwin  
Anny Reid

## International Committee

Joe Falzon (Chairman)  
Rodney Bedford  
Bob Chambers

## Care Services Committee

Debbie Sorkin (Chairman)  
Anny Reid  
Tony Goodwin

## Membership Council

Jason Coward (Chairman)  
Lynda Atkins (Vice Chairman)  
Gordon Barker  
Mike Barry  
John Boisson  
Bob Chambers  
John Clark  
Emma Cox  
Philip Davies  
Dilys Hooper  
Bob Howard  
Steve Lewis  
Garry Mills  
John Morrison  
Gerry Nunn  
Phil Skawski  
Kelly Slark  
Ken Terry

## Executive Board

### Director General

Charles Byrne

### Director of Finance & Commercial

Daniel Oppenheimer

### Director of Fundraising

Claire Rowcliffe

### Director of Operations

Antony Baines

### Director of Remembrance and Marketing

Gary Ryan

### Director of Human Resources and Organisational Development

Karen Gill

### Director of Membership

Janet Talman (from March 2021)

## Consultants and Advisors

### Bankers

Lloyds Bank  
Charities  
4th Floor  
25 Gresham Street  
London EC2V 7HN

### Independent Auditors

Deloitte LLP  
2 New Street Square  
London EC4A 3BZ

### Investment Managers

Cazenove Capital  
Management Limited  
12 Moorgate  
London EC2R 6DA

### Legal Advisors

Withers  
16 Old Bailey  
London EC4M 7EG

## Women's Section

### President

HRH The Princess Royal

### Chairman

Heather Spence

### Vice Chairman

Jan Buxton

### Chair of Finance

Sandra Fishlock

### Central Committee

Pat Ayres MBE  
Jan Buxton  
Margaret Cook  
Sandra Fishlock  
Sandra Saban  
Pat Holden  
Tracey Gilliland

### National Life Vice Presidents

Dame Mary Bridges DBE  
Mrs M Humphry  
Doris Ingham OBE  
Maureen Lodder OBE  
Patricia Valler OBE  
Wendy Bromwich JP

### National Vice Presidents and Patronesses

Auriol, Marchioness of Linlithgow  
Elizabeth, The Dowager Countess of Scarborough LVO  
The Right Honourable the Countess Bathurst  
The Lady Grey of Codnor  
Baroness Grey-Thompson DBE  
Joanne Andrew-Steer MBE  
Sara Jones CBE OSTJ DL JP  
Janie Martin DL  
Joan Murray MBE  
Diana Hill  
Jane Lewin Smith JP DL

## Charity Registration number

219279

## Principal office

The Royal British Legion  
Haig House  
199 Borough High Street  
London SE1 1AA



# Financial review

**For many charities, 2020 was a challenging year** as the Covid-19 pandemic impacted both fundraising and service delivery. In this context, total income for the year to 30th September, 2020, was £143.1 million compared with £175.9 million in 2019, a 19% reduction. Whilst the November 2019 Poppy Appeal was not affected by the pandemic, the lockdown in March 2020 and subsequent restrictions led to a number of fundraising events and activities being cancelled. The reduction in income was also partly due to the fact that the November 2018 Poppy Appeal was exceptional, reaching nearly £55 million for the first time in the RBL's history, due to the commemorations to mark the centenary of the end of the First World War.

Total expenditure was £161.0 million, compared to £181.7 million in 2019, a reduction of £20.7 million (11%). This was driven by a significant curtailment of Remembrance and ceremonial activity due to Covid-19 restrictions, reductions in staff travel and property-related costs as many of our services moved online or were delivered by telephone and video calls, and the temporary closure of the National Memorial Arboretum and Battle Back Centre, which led to a number of staff being furloughed. In order to protect our services, we also took the decision to pause some discretionary expenditure in areas such as fundraising, marketing and grants to other organisations until the impact of the pandemic on the RBL's finances became clearer.

Overall, the RBL generated a deficit before gains and losses of £17.9 million (2019: £5.8 million). The deficit on the Group defined benefit pension schemes increased by £4.2 million (2019: £1.5 million) due to lower than expected investment returns and a small reduction in the discount rate used to value future pension liabilities. After accounting for net gains on the revaluation of properties and investments of £0.9 million (2019: £13.5 million), the total value of the RBL's funds reduced by £21.2 million (2019: £6.2 million increase).

The value of restricted funds reduced by £12.8 million to £170.2 million

(2019: £183.0 million) and the value of unrestricted funds reduced by £8.4 million to £180.4 million (2019: £188.8 million). During the year, we continued the work to reduce the restrictions on disposal proceeds arising from the sale of properties held in Branch Property Trusts, moving £4.3 million (2019: £2.1 million) from restricted Branch Property Trust funds into restricted and designated Area Trust Funds. Area Trust Funds are now being used to fund services delivered in the area where the branch property was originally located, which would otherwise need to be funded from unrestricted funds. These services include Admiral Nurses, war pensions and compensation advice and grants. The composition of the RBL's funds is explained below and on page 8 of this report.

## Financial investments

The market value of the RBL's investment portfolio reduced by £1.2 million during the year. This was a positive result given the market turbulence and severe economic slowdown caused by the pandemic. At the year end, the total value of the Group's investments was £164.6 million (2019: £165.9 million). The portfolio is managed through three investment managers; Cazenove Capital manages the charity's main investment portfolio, Sarasin & Partners manages Poppyscotland's investments and CCLA manages branch-related investments, including those held in legacy and property trusts.

The mandates agreed with all three investment managers specify the level of risk that can be undertaken by defining asset classes and ranges, benchmarks and acceptable volatility. The investment managers have total discretion within these parameters. All investments must comply with the RBL's ethical policy, which is one of 'Responsible Investment'. Investment managers are expected to engage with companies on social, environmental and business-ethics issues and to exercise the RBL's voting rights, following the policy.

### Cazenove Capital

The mandate agreed with Cazenove Capital for the year ended 30th September, 2020, was to achieve a

rate of return in excess of CPI+3% over the medium term. Whilst the portfolio exceeded its target for the five years to 30th September, 2020, generating a return of 5.1% against the inflation benchmark of 4.7%, it did not meet the target for the year to 30th September, 2020, due to the turmoil in global markets caused by the Covid-19 pandemic. The value of the portfolio reduced to £133.2 million (2019: £136.1 million) over the year and generated £3.1 million (2019: £2.7 million) of investment income.

### Sarasin & Partners

During the year to 30th September, 2020, the Poppyscotland portfolio increased its value from £11.1 million to £11.2 million and generated £0.4 million (2019: £0.4 million) of investment income. The Poppyscotland portfolio will be drawn on to finance Poppyscotland's deficits over the next five years, as part of an agreed strategy for Poppyscotland to spend the funds previously used as reserves. After this point, the RBL will provide financial support to enable Poppyscotland to continue to operate as a going concern and meet its liabilities as they fall due. In this context, the mandate agreed with the investment manager is to preserve capital values and achieve a return in line with inflation.

### CCLA

Branch, County and other investments of £13.4 million (2019: £9.8 million) are held in a mix of listed investments and unit trusts.

## Pension

The pension deficit increased from £6.6 million to £11.0 million due to lower than expected investment returns and a small (0.3%) reduction in the discount rate used to calculate the present value of future pension liabilities. The Royal British Legion and the pension fund trustees have agreed a plan for removing the pension deficit over an appropriate period of time, and we do not expect the deficit to materially affect the RBL's ability to meet its charitable objectives in the future.

## Funds

The RBL's total funds of £350.6 million (2019: £371.8 million) represent the value of all the assets used by the charity to deliver its charitable objectives, including its properties. The charity's funds are explained in more detail on page 8. They include £170.2 million (2019: £183.0 million) of restricted reserves, which comprise property and other assets given to the RBL for a specific purpose and unavailable for general use.

Within unrestricted funds of £180.4 million (2019: £188.8 million) are funds representing the value of the RBL's functional fixed assets (£68.6 million, 2019: £80.2 million), funds held by RBL branches, counties and districts (£31.7 million, 2019: £31.9 million), the value of programme-related investments (predominantly outstanding property repair loans) (£4.5 million, 2019: £4.9 million) and the General Fund (£4.7 million, 2019: £5.2 million), which is used to support the central administration of the membership of the RBL.

## Reserves

In addition to the funds described above, at 30th September, 2020, the RBL was holding £70.8 million (2019: £66.7 million) in liquid and immediately available unrestricted funds ('free reserves'). In common with other charities, the Royal British Legion holds free reserves to ensure that our services can continue during a period of unforeseen reduced income or increased expenditure. Our reserves policy is set with reference to the financial risks facing the charity. The RBL is heavily dependent on volunteer support and donations from the public to enable it to carry out its work. Our biggest risk is that our income suddenly drops because of unforeseen factors beyond our control. In these circumstances, reserves would need to fund operating expenditure while the organisation was put back onto a stable footing.

Our care homes represent a further area of financial risk due to the heavily regulated nature of the industry. The

Covid-19 pandemic has added to these regulations and reduced occupancy levels (and therefore income) as new admissions were paused. Our reserves also mitigate against fluctuations in the value of our investments, in particular the risk that a significant reduction in income coincides with a drop in investment values. Finally, our defined benefit pension obligations represent a long-term financial risk, whilst short-term fluctuations in valuations can impact the amount of free reserves at our disposal.

The Trustees have reviewed the RBL reserves policy and agreed that the RBL should continue to seek to hold minimum reserves of approximately £55 million to cover these risks. As noted above, at 30th September, 2020, the RBL was holding reserves of £70.8 million (2019: £66.7 million). As the Covid-19 pandemic continues to affect our daily lives, we will use our reserves to ensure that we support those in greatest need by, for example, providing increased funding through our individual grants programme and ensuring that our care homes continue to have the facilities and equipment they need.

## Investment properties

Investment properties primarily comprise 302 properties (2019: 310) held by the Royal British Legion as Trustee (predominantly under Branch Property Trusts) and let to independent commercial operations, primarily affiliated social clubs. The local RBL branches also have part-time use of the property under the terms of the lease.

The RBL's methodology with regard to the valuation of investment properties is to revalue one-fifth of the properties each year and to carry out a review of the remainder to identify any event that would impair the valuation. Investment property revaluations and impairment reviews are carried out by an internal team of qualified surveyors. For the year ending 30th September, 2020, 62 properties were revalued (2019: 82) and a revaluation gain of £3.0 million (2019: £2.4 million) was recorded in the accounts. The remaining 80% of



investment properties were reviewed and revaluation losses of £13,800 (2019: £8,000) were recorded. During the year, the RBL disposed of 8 (2019: 23) investment properties, realising proceeds of £1.5 million (2019: £7.5 million).

## Branch property trusts

A Branch Property Trust is a property or the proceeds of its sale that is held in a separate charitable trust in connection with an RBL branch. Its charitable purposes are usually restricted to a specific geographical area.

|  | 2020   | 2019   |
|--|--------|--------|
| Restricted Investment Property Reserve | £66.1m | £65.0m |
| Restricted Branch Property Trust Fund  | £39.8m | £46.9m |
| Number of properties                   | 302    | 310    |

At 30th September, 2020, the RBL held £66.1 million (2019: £65.0 million) (see note 29) in the restricted investment property reserve, representing the market value of 302 (2019: 310) properties predominantly held under Branch Property Trusts. In addition, £39.8 million (2019: £46.9 million) was held in restricted Branch Property Trust funds, comprising sale proceeds, interest and other income, from the properties previously held in trust.

The RBL continues to remove or widen the restrictions on Branch Property Trusts that have served their purpose, so that these funds can be used more effectively and across the broader range of services needed by those we support today. During the year, decisions were made on 15 Branch Property Trusts, resulting in £4.3 million (2019: £2.1 million) being moved into unrestricted funds. These funds, together with restricted Area Trust Funds that derive from Branch Property Trusts, can now be used to support people in a wider geographical area and for specific projects and activities forming part of the RBL's strategy.

## Programme-related investments

Programme-related investments mainly consist of property repair loans

that are interest-free secured loans to beneficiaries living in their own home to provide housing improvements. Programme-related investments totalled £4.5 million at the year end (2019: £5.0 million).

## Grant making

Included in our welfare service expenditure are grants made to individuals in immediate need after an assessment of the person's financial situation. In 2020, the Royal British Legion spent £11.7 million on individual grants (2019: £15.9 million). In both volume and value, 'mobility'-related grants, such as riser-recliner chairs and powered scooters, were most common. The RBL also awards grants to households whose case is managed by a partner agency, such as SSAFA or the Royal Air Forces Association.

Grants are made to organisations where a third party has skills or facilities that are unavailable within the RBL's own resources. The RBL invites organisations to submit formal applications, which are then evaluated by the Grants Department, the local Area Office and any subject-matter experts relevant to the application. This information is then reviewed by a Grants Panel, which issues awards to those organisations best able to show that their project will address an unmet need for RBL beneficiaries.

In 2020, grants were awarded to 39 organisations, totalling £5.3 million (2019: 53 organisations, £12.7 million). The reduction in the year reflects the decision to temporarily pause the external grants programme due to uncertainty about the impact of Covid-19 on the RBL's finances.

## Covid-19 and going concern

The Trustees have considered the potential impact of the Covid-19 pandemic on the ability of the Group to continue as a going concern for a period of at least 12 months from the date of signing the accounts. The level of economic uncertainty has reduced over the past 12 months due to the development and roll-out of vaccines. Nevertheless, some key risks remain, including:

- Fundraising – in particular, the impact of government restrictions on fundraising events and the

November 2021 Poppy Appeal;

- Investments – continuing volatility in equity markets impacting the value of the RBL's investment portfolio; and
- Pensions – the potential for further increases in pension deficits due to lower than expected investment returns.

We have forecast our cash and reserves for the financial years ending 30th September, 2021 and 2022, using a 'worst case' scenario, which assumes that fundraising in 2022 is as equally impacted as 2021, when Covid-19 restrictions and the subsequent national lockdown severely impacted the Poppy Appeal. Even in this pessimistic scenario, the RBL would have free reserves of £49 million and total cash and investments of £170 million, and would therefore be able to meet its liabilities as they fall due. Furthermore, the RBL has high levels of discretionary expenditure and could reduce expenditure relatively quickly if the impact on our fundraising income is worse than expected.

The Trustees have therefore concluded that it remains appropriate to prepare these accounts on a going concern basis.

## Risk management and internal control

The Board of Trustees has responsibility for the oversight of risk management. The Board requires risks to be identified, assessed, managed, monitored and reported, with appropriate records maintained to evidence the process.

The RBL's risk framework includes a risk-management policy and defines the processes to be followed to ensure that risk is managed appropriately. This is achieved as follows:

- Risks are owned by a senior executive, usually an executive director;
- Risks are required to have controls in place to provide effective mitigation;
- Risk owners ensure that controls are present and effective;
- Risk exposures are known and understood by risk owners and are reported formally each quarter; and
- There is a strong link between risk management and internal audit so that auditing is used as a tool to check the presence and effectiveness of controls. The Audit & Risk Committee receives copies of all audit reports.

The Head of Risk Management oversees and coordinates the risk framework. Regular reports are made to the Executive Board, the Audit & Risk Committee and the Board of Trustees. The Audit & Risk Committee is chaired by a Trustee.

The National Memorial Arboretum and Poppyscotland are included in the risk framework and a consistent risk model is used.

At their last review, the Trustees were satisfied that appropriate and effective controls are in place to mitigate risk exposures. The most significant risks are set out on the next page, together with selected controls from our risk register.

## Public benefit

The Trustees have given due regard to the public benefit guidance published by the Charity Commission. They believe that the extensive welfare support provided to our beneficiaries, along with the other charitable activities undertaken, satisfies the public benefit requirements of the Charities Act 2011.

## Safeguarding

The Royal British Legion is engaged in a wide range of beneficiary, membership and community-facing activities, including direct welfare support, fundraising and comradeship. Specifically, the RBL provides regulated and non-regulated activities that involve interaction with vulnerable adults and can often involve children. Our staff, volunteers and members have a moral and legal responsibility to ensure the safety of the people we work with. Recognising our commitment to ensure that those engaged with the RBL can live free from harm, abuse or neglect, the charity has implemented a range of policies and procedures including a Safeguarding Policy, Code of Conduct and robust recruitment procedures for staff and volunteers.

The RBL has a network of trained designated safeguarding leads, who are responsible for reporting safeguarding concerns to statutory agencies and recording all safeguarding incidents on our Legion Assure reporting system. In order to embed a culture of safeguarding awareness, the RBL delivers safeguarding training to all staff and volunteers at the appropriate level.

The Board of Trustees also receives appropriate safeguarding training.

## Modern Slavery Act 2015

The Royal British Legion is committed to ensuring that slavery and human trafficking do not occur in our operations or supply chain. We continue to work with new and existing suppliers to minimise the risk of modern slavery and human trafficking and to ensure compliance with the Modern Slavery Act 2015. Our anti-slavery and human trafficking statement is published on our website.

## Ethics and sustainability

Alongside the development of our One Legion strategy, we have begun work on an Ethics and Sustainability strategy. During the year, we established an Ethics and Sustainability Committee, which draws its membership from across the RBL. The purpose of the Committee is to support the organisation's understanding of its impact on the community and environment and to ensure that our ethical values are reflected across all our policies and procedures. A current area of focus is our Poppy Appeal products, where we are seeking to reduce our environmental impact through the reduction of single-use plastic.

## Structure, governance and management

The Royal British Legion has a head office in London, where the Director General and the supporting Board of six Executive Directors are based. There is a network of offices in England, Northern Ireland, Scotland and Wales, which provides facilities for beneficiaries, members, volunteers and staff. Care-home services are delivered through the RBL's premises around the country. The National Memorial Arboretum, the home of the Armed Forces Memorial, is situated in Alrewas, Staffordshire, and the Legion's Contact Centre is based in Cardiff. Headquarters for Poppyscotland are located in Edinburgh. The charity's branches are located throughout England, Wales, Northern Ireland, the Republic of Ireland, the Channel Islands, the Isle of Man and overseas.

The RBL's governing document is its Royal Charter of Incorporation and Schedules, which was first granted in 1925. The Board of Trustees has the responsibility for its implementation and review, but charter



| Risk   | Mitigation  |
|--|---|
| <p><b>Covid-19 Pandemic</b><br/>Inability to deliver our mission and look after those we support due to the Covid-19 pandemic</p>  | <ul style="list-style-type: none"> <li>• A serious incident response framework that prioritises the safety of all our people – beneficiaries, staff and volunteers</li> <li>• High standards of infection prevention control in care homes</li> <li>• Robust IT infrastructure, enabling us to continue to support people remotely where possible</li> <li>• Ability to mobilise our extensive network of volunteers</li> <li>• A flexible approach to fulfilling our remit as the nation's guardian of Remembrance</li> <li>• Prudent reserves policy and flexible approach to fundraising with the implementation of contingency arrangements for the annual Poppy Appeal</li> <li>• Agile governance arrangements, enabling quick and effective decision-making</li> </ul> |
| <p><b>Financial Sustainability</b><br/>Inability to deliver our mission and look after those we support because of the financial position of the RBL</p>   | <ul style="list-style-type: none"> <li>• Annual budget process</li> <li>• Financial forecasting for short and medium term</li> <li>• Prudent reserves policy</li> <li>• Fundraising strategy</li> <li>• Fundraising income and expenditure reviewed monthly and corrective action taken if there are significant variances to the budget</li> <li>• Sound basis for grant-funding decision-making</li> </ul>  |
| <p><b>Safeguarding</b><br/>A beneficiary, volunteer or employee suffers harm, abuse or neglect</p>   | <ul style="list-style-type: none"> <li>• Independently chaired Safeguarding Committee meets regularly through the year to receive and act on management information</li> <li>• Appointment of a designated safeguarding lead</li> <li>• A Safeguarding Working Group is charged with ensuring safeguarding and related policies are embedded into processes</li> <li>• Separate safeguarding risk monitoring for key areas, such as care homes, staff and volunteers</li> <li>• Multi-level, mandatory training programme</li> <li>• Regular reporting of safeguarding data and risk exposures</li> </ul>   |
| <p><b>Governance</b><br/>Inability to deliver our strategic objectives due to ineffective leadership and governance</p>  | <ul style="list-style-type: none"> <li>• Regular training for Trustees</li> <li>• Performance monitoring of Trustees and Executive Board</li> <li>• Implementation of defined Terms of Reference for Board of Trustees, Executive Board and all Board Committees</li> <li>• Royal Charter review</li> <li>• Head of Governance with specific responsibility for ensuring governance arrangements are fit for purpose</li> <li>• Independent review of governance arrangements</li> <li>• Trustees are appointed to fill specific skills gaps</li> </ul>   |
| <p><b>Sector Relationships</b><br/>Our ability to deliver our strategic aim to be the 'heart of a national network' fails because of a lack of trust and collaboration with the rest of the sector</p> | <ul style="list-style-type: none"> <li>• Executive Board oversight of critical relationships</li> <li>• Robust management of Veterans' Gateway</li> <li>• Strategic alliances properly managed and recorded</li> </ul>  |

amendments require a special resolution at the Annual Conference before they can be subsequently ratified by a special resolution of the Board of Trustees and allowed by HM The Queen in council.

Directors' roles are evaluated using the Hay job-evaluation system, and this supports a process of pay benchmarking. There is an independent Governance Committee comprised of Trustees, which approves the annual pay award and agrees the remuneration for the Director General and Director of Finance and Commercial.

### Board of Trustees

The Board of Trustees is responsible for the overall governance, policy and work of the Royal British Legion. All substantive decisions are made by the Board of Trustees within the bounds of the Royal Charter and the RBL's vision, mission and charitable objectives. The Board of Trustees provides overall strategic direction, while administration of the charity is delegated to the Director General and through him to the Board of Executive Directors.

The Board of Trustees meets eight times per year and comprises 16 Trustees:

- the National Chairman and National Vice Chairman are elected by voting branches;
- seven Trustees are elected by voting branches;
- six Trustees are appointed by the Board of Trustees. Invitation is by open advertisement and selection takes place through the Governance Committee; and
- the Chairman of the Women's Section is elected by the members of the Women's Section at the Women's Section National Conference.

Trustees are elected or appointed for an initial three-year period and are eligible for a further two terms of three years. The Chairman and Vice Chairman may only serve one term of three years; however, the Vice Chairman may also serve one term of three years as National Chairman if so elected by voting branches. Newly elected Trustees are given induction training on their duties and responsibilities as members of the Board of Trustees. Training needs are reviewed on an annual basis and specific training is given to Trustees as required.

Trustees receive no remuneration but are reimbursed for the cost of attending meetings and other official functions.

Trustees are invited to lead and officiate on Remembrance tours and the costs involved in that duty are included in the declared figure for Trustee expenses (Note 15).

### Committees of the board

The Board of Trustees has eight committees that report to it, all of which have written terms of reference. Two of the committees facilitate membership matters:

- Membership Council – has responsibility for the direction and implementation of all membership issues; and
- Conference Committee – oversees the organisation of the Annual Conference.

Three committees form an integral part of the governance of the charity:

- Governance Committee makes recommendations on Trustee appointments, overall staffing arrangements and monitors governance best practice;
- Audit & Risk Committee reviews the significant judgements made in the accounts before board approval. It provides for regular communication between the Trustees and the external and internal auditors, monitors risk-management procedures and approves the internal audit programme; and
- Care Services Committee oversees the delivery of the RBL's care services, including our six care homes.

Three committees oversee the resources of the charity:

- Finance Committee reviews, recommends and monitors compliance with the reserves and investment policies and provides oversight of IT. It reviews the annual budget, oversees and monitors the investment portfolio and addresses any other financial matters referred to it by the Board of Trustees;
- Property Committee recommends strategy and monitors performance in relation to functional property developments, oversees significant acquisitions or disposals and ensures these properties are appropriately maintained; and
- Branch Property Trusts (BPT) Trustee Committee recommends strategy and monitors compliance in relation

to the management of properties, income and assets held by the Branch Property Trusts and approves property disposals.

Finally, the International Committee represents the RBL as part of the World Veterans' Federation and advises the Board of Trustees on matters related to the RBL's international relationships and activities.

The day-to-day management of the charity is delegated to the Director General and through him to the Board of Executive Directors.

### Corporate structure

The Royal British Legion has an extensive corporate structure comprising:

- the charity;
- Thirteen wholly owned subsidiaries, nine of which are included in the consolidated accounts and four of which are dormant; and
- the Irish ex-Service Trust, for which it acts on behalf of Her Majesty's Government as the distributory agent. Further details of the activities and performance of subsidiaries are given in Note 14 to the accounts.

In addition, there are four active organisations that share part of our name.

- Royal British Legion Industries Limited (RBLI), which provides employment, training and support for people, including those with disabilities, plus care and support for ex-serving personnel and families;
- Royal British Legion Poppy Factory Limited in Richmond (the Poppy Factory), which creates paid meaningful employment opportunities for wounded, injured and sick ex-serving personnel;
- The Royal British Legion Attendants Company Trust, which promotes the rehabilitation and resettlement of men and women of Her Majesty's Armed Forces who are in need of assistance in civilian life; and
- Royal British Legion Scotland, which helps Scottish ex-serving personnel of all ages to adapt to civilian life.

These four companies are separate charitable trusts with no common shareholding and no other form of control by the Royal British Legion. The results of these companies are therefore not included in the consolidated accounts of the RBL.



## Connections to a non-charity

The Trustees have applied the Charity Commission guidance regarding connections to a non-charity and confirm that they have addressed the risks of any connections. They regularly monitor the connections to non-charities to ensure that the charity's resources are not applied to advance any non-charitable interest.

## Role of the membership and volunteers

The Royal British Legion is a membership organisation overseen by a Board of Trustees through the Membership Council. Around 230,000 members are organised through approximately 2,500 branches operating across England, Wales, Northern Ireland and the Isle of Man, with a further 95 branches overseas and eight national branches.

### Branches:

- undertake local welfare activities as part of the Branch Community Support scheme;
- undertake their own fundraising, with central support for the Poppy Appeal;
- recruit and retain members;
- ensure that Remembrance is undertaken locally; and
- act as RBL representatives in their local community.

Branches report into 52 Section, County and District committees, which consist entirely of volunteers. The RBL provides operational and administrative support to the membership structure delivered by the staff of the Membership Department and a network of Membership Support Officers located across England, Wales and Northern Ireland.

The Women's Section provides care and support for the ex-service community through its own welfare schemes, such as financial support to ex-serving women, wives, widows and widowers of ex-serving personnel and their children.

Many members of the RBL belong to one of the 399 clubs (2019: 405) that use the RBL's name under licence but are independent entities; therefore, their financial results are not included in these accounts. There are 226 clubs (2019: 227) that occupy premises owned by the RBL and leased to the club.

The RBL depends on the dedication and commitment of thousands of volunteers who give their time and energy in supporting our charitable objectives. Volunteers add value to almost every area of RBL activities, from casework and fundraising to improving the quality of life of our care home residents. The RBL has in excess of 55,000 volunteers, with more than half of our volunteers undertaking more than one volunteer role in the RBL.

Guidance and advice on volunteer management and support is provided by the centrally based Volunteer Support Unit (VSU). The VSU focuses on creating a flexible framework to develop volunteer opportunities and on professionalising the experience of our volunteers. Through our volunteering strategy, we are looking to build a two-way relationship with our volunteers, where how we support and manage them is just as important as how they support us.

## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity, of the incoming resources, and of the application of resources 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;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report (pages 7 to 53), for and on behalf of the Trustees



**Una Cleminson, National Chairman**  
15th April, 2021



# Independent Auditor's Report to the Trustees of the Royal British Legion

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of the Royal British Legion (the 'charity') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charity's affairs as at 30th September, 2020 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

We have audited the financial statements, which comprise:

- the consolidated and parent charity statements of financial activities;
- the consolidated and parent charity balance sheets;
- the consolidated and parent charity cash flow statements; and
- the related notes 1 to 33.

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 are independent of the group and of the parent charity in accordance with the

ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – material uncertainty related to investment property valuation

We draw attention to note 20a, which describes the effects of the uncertainties created by the coronavirus (Covid-19) pandemic on the valuation of the charity's investment property portfolio. As noted by the charity's valuer, the pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the fair value of the investment property portfolio at the balance sheet date. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual 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 we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 respect of these matters.

### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charity, or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 151 of the Charities Act

2011 and report in accordance with the Act 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.

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

## Report on other legal and regulatory requirements

### Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008, we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Deloitte LLP

Statutory Auditor  
Newcastle upon Tyne, United Kingdom  
23rd April, 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.



## Royal British Legion

Consolidated Statement of Financial Activities for the year ended 30 September 2020

|  | Note | Unrestricted funds<br>2020<br>£'000 | Restricted funds<br>2020<br>£'000 | Total<br>2020<br>£'000 | Total<br>2019<br>£'000 |
|--|------|-------------------------------------|-----------------------------------|------------------------|------------------------|
| <b>Income and endowments from</b>                          |      |                                     |                                   |                        |                        |
| Donations and legacies                                     | 4    | 80,036                              | 7,081                             | <b>87,117</b>          | 101,317                |
| Charitable activities                                      | 5    | 21,742                              | 9,820                             | <b>31,562</b>          | 44,615                 |
| Other trading activities                                   | 6    | 17,648                              | 1,205                             | <b>18,853</b>          | 22,939                 |
| Investments  | 7    | 1,981                               | 3,532                             | <b>5,513</b>           | 6,621                  |
| Other  |      | 24                                  | 45                                | <b>69</b>              | 391                    |
| <b>Total income</b>  |      | <b>121,431</b>                      | <b>21,683</b>                     | <b>143,114</b>         | 175,883                |
| <b>Expenditure on</b>                                      |      |                                     |                                   |                        |                        |
| <b>Raising funds</b>                                       | 8    | <b>32,764</b>                       | <b>5,431</b>                      | <b>38,195</b>          | 43,491                 |
| <b>Charitable activities</b>                               |      |                                     |                                   |                        |                        |
| Care   | 9    | 41,585                              | 3,160                             | <b>44,745</b>          | 34,751                 |
| Personnel Recovery Centres                                 | 9    | 1,075                               | 452                               | <b>1,527</b>           | 2,496                  |
| Community Welfare  | 9    | 29,562                              | 18,956                            | <b>48,518</b>          | 63,724                 |
| Membership   | 9    | 6,885                               | 1,104                             | <b>7,989</b>           | 9,018                  |
| Comradeship  | 9    | 510                                 | -                                 | <b>510</b>             | 595                    |
| Communications and campaigning                             | 9    | 11,964                              | 221                               | <b>12,185</b>          | 12,806                 |
| Remembrance and ceremonial                                 | 9    | 1,855                               | 5,446                             | <b>7,301</b>           | 14,802                 |
| <b>Total charitable activities</b>                         | 9    | <b>93,436</b>                       | <b>29,339</b>                     | <b>122,775</b>         | 138,192                |
| <b>Total expenditure</b>                                   |      | <b>126,200</b>                      | <b>34,770</b>                     | <b>160,970</b>         | 181,683                |
| <b>Net expenditure before investment gains</b>             |      | <b>(4,769)</b>                      | <b>(13,087)</b>                   | <b>(17,856)</b>        | (5,800)                |
| Net (losses)/gains on disposal of investments              |      | (2,474)                             | 2,936                             | <b>462</b>             | 3,885                  |
| Unrealised gains/(losses) on revaluation of investments    |      | 1,962                               | (1,571)                           | <b>391</b>             | 9,568                  |
| <b>Net (expenditure)/income before tax</b>                 |      | <b>(5,281)</b>                      | <b>(11,722)</b>                   | <b>(17,003)</b>        | 7,653                  |
| Taxation (charge)/credit                                   | 11   | (3)                                 | -                                 | <b>(3)</b>             | 2                      |
| <b>Net (expenditure)/income for the year</b>               |      | <b>(5,284)</b>                      | <b>(11,722)</b>                   | <b>(17,006)</b>        | 7,655                  |
| <b>Transfers between funds</b>                             | 30   | 1,112                               | (1,112)                           | -                      | -                      |
| <b>Other recognised (losses)/gains</b>                     |      |                                     |                                   |                        |                        |
| Actuarial (losses)/gains on defined benefit pension scheme | 16a  | (4,288)                             | 62                                | <b>(4,226)</b>         | (1,487)                |
| <b>Net movement in funds</b>                               |      | <b>(8,460)</b>                      | <b>(12,772)</b>                   | <b>(21,232)</b>        | 6,168                  |
| Fund balances brought forward at 1 October                 |      | 188,834                             | 182,974                           | <b>371,808</b>         | 365,640                |
| <b>Fund balances carried forward at 30 September</b>       |      | <b>180,374</b>                      | <b>170,202</b>                    | <b>350,576</b>         | 371,808                |

## Royal British Legion

Charity Statement of Financial Activities for the year ended 30 September 2020

|   | Note | Unrestricted funds<br>2020<br>£'000 | Restricted funds<br>2020<br>£'000 | Total<br>2020<br>£'000 | Total<br>2019<br>£'000 |
|---|------|-------------------------------------|-----------------------------------|------------------------|------------------------|
| <b>Income and endowments from</b>                       |      |                                     |                                   |                        |                        |
| Donations and legacies                                  | 4    | 83,743                              | 1,958                             | <b>85,701</b>          | 98,722                 |
| Charitable activities                                   | 5    | 24,043                              | 6,807                             | <b>30,850</b>          | 43,622                 |
| Other trading activities                                | 6    | 6,653                               | 38                                | <b>6,691</b>           | 5,284                  |
| Investments   | 7    | 1,981                               | 3,091                             | <b>5,072</b>           | 6,151                  |
| Other   |      | 24                                  | 37                                | <b>61</b>              | 356                    |
| <b>Total income</b>                                     |      | <b>116,444</b>                      | <b>11,931</b>                     | <b>128,375</b>         | 154,135                |
| <b>Expenditure on</b>                                   |      |                                     |                                   |                        |                        |
| <b>Raising funds</b>                                    | 8    | <b>26,520</b>                       | <b>177</b>                        | <b>26,697</b>          | 28,138                 |
| <b>Charitable activities</b>                            |      |                                     |                                   |                        |                        |
| Care  | 9    | 41,585                              | 3,160                             | <b>44,745</b>          | 34,751                 |
| Personnel Recovery Centres                              | 9    | 1,075                               | 452                               | <b>1,527</b>           | 2,496                  |
| Community Welfare                                       | 9    | 32,218                              | 14,210                            | <b>46,428</b>          | 60,982                 |
| Membership  | 9    | 6,885                               | 1,085                             | <b>7,970</b>           | 8,954                  |
| Comradeship   | 9    | 510                                 | -                                 | <b>510</b>             | 595                    |
| Communications and campaigning                          | 9    | 11,964                              | 221                               | <b>12,185</b>          | 12,806                 |
| Remembrance and ceremonial                              | 9    | 1,855                               | 2,247                             | <b>4,102</b>           | 11,137                 |
| <b>Total charitable activities</b>                      | 9    | <b>96,092</b>                       | <b>21,375</b>                     | <b>117,467</b>         | 131,721                |
| <b>Total expenditure</b>                                |      | <b>122,612</b>                      | <b>21,552</b>                     | <b>144,164</b>         | 159,859                |
| <b>Net expenditure before investment gains</b>          |      | <b>(6,168)</b>                      | <b>(9,621)</b>                    | <b>(15,789)</b>        | (5,724)                |
| Net (losses)/gains on disposal of investments           |      | (2,474)                             | 2,936                             | <b>462</b>             | 3,885                  |
| Unrealised gains/(losses) on revaluation of investments |      | 1,962                               | (1,669)                           | <b>293</b>             | 9,083                  |
| <b>Net (expenditure)/income for the year</b>            |      | <b>(6,680)</b>                      | <b>(8,354)</b>                    | <b>(15,034)</b>        | 7,244                  |
| <b>Transfers between funds</b>                          | 30   | 3,786                               | (3,786)                           | -                      | -                      |
| <b>Other recognised (losses)/gains</b>                  |      |                                     |                                   |                        |                        |
| Actuarial losses on defined benefit pension scheme      | 16a  | (4,288)                             | -                                 | <b>(4,288)</b>         | (1,446)                |
| <b>Net movement in funds</b>                            |      | <b>(7,182)</b>                      | <b>(12,140)</b>                   | <b>(19,322)</b>        | 5,798                  |
| Fund balances brought forward at 1 October              |      | 185,104                             | 143,805                           | <b>328,909</b>         | 323,111                |
| <b>Fund balances carried forward at 30 September</b>    |      | <b>177,922</b>                      | <b>131,665</b>                    | <b>309,587</b>         | 328,909                |

The notes on pages 60 to 93 form part of the financial statements.  
All amounts relate to continuing operations, and all gains and losses recognised in the year are included in the Statement of Financial Activities.



## Royal British Legion

Consolidated and Charity Balance Sheets as at 30 September 2020

|   | Note | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|---|------|------------------------|------------------------|--------------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                        |                        |                          |                          |
| Intangible assets                                       | 17   | 2,946                  | 4,192                  | 2,895                    | 4,192                    |
| Tangible assets   | 18   | 83,088                 | 98,188                 | 60,494                   | 75,960                   |
| Investments   | 19   | 164,647                | 165,895                | 151,319                  | 152,574                  |
| Investment properties                                   | 20   | 66,706                 | 65,019                 | 66,124                   | 65,019                   |
| Programme-related investments                           | 21   | 4,510                  | 5,008                  | 4,510                    | 5,008                    |
| <b>Total fixed assets</b>                               |      | <b>321,897</b>         | <b>338,302</b>         | <b>285,342</b>           | <b>302,753</b>           |
| <b>Current assets</b>                                   |      |                        |                        |                          |                          |
| Stocks  |      | 1,882                  | 2,393                  | -                        | -                        |
| Debtors   | 22   | 16,742                 | 16,729                 | 16,361                   | 18,041                   |
| Cash at hand and in bank                                | 23   | 51,648                 | 59,231                 | 46,162                   | 48,014                   |
| <b>Total current assets</b>                             |      | <b>70,272</b>          | <b>78,353</b>          | <b>62,523</b>            | <b>66,055</b>            |
| <b>Current liabilities</b>                              |      |                        |                        |                          |                          |
| Creditors: Amounts falling due within one year          | 24   | (26,209)               | (32,519)               | (24,704)                 | (29,382)                 |
| <b>Net current assets</b>                               |      | <b>44,063</b>          | <b>45,834</b>          | <b>37,819</b>            | <b>36,673</b>            |
| <b>Total assets less current liabilities</b>            |      | <b>365,960</b>         | <b>384,136</b>         | <b>323,161</b>           | <b>339,426</b>           |
| Creditors: Amounts falling due after more than one year | 24   | (2,902)                | (5,201)                | (2,845)                  | (5,201)                  |
| Provisions for liabilities                              | 26   | (1,450)                | (494)                  | (1,450)                  | (494)                    |
| <b>Net assets excluding pension liability</b>           |      | <b>361,608</b>         | <b>378,441</b>         | <b>318,866</b>           | <b>333,731</b>           |
| Defined benefit pension liability                       | 16b  | (11,032)               | (6,633)                | (9,279)                  | (4,822)                  |
| <b>Net assets</b>                                       |      | <b>350,576</b>         | <b>371,808</b>         | <b>309,587</b>           | <b>328,909</b>           |
| <b>Funds</b>  |      |                        |                        |                          |                          |
| Total unrestricted funds                                | 28   | 180,374                | 188,834                | 177,922                  | 185,104                  |
| Total restricted funds                                  | 29   | 170,202                | 182,974                | 131,665                  | 143,805                  |
| <b>Total funds</b>                                      |      | <b>350,576</b>         | <b>371,808</b>         | <b>309,587</b>           | <b>328,909</b>           |

The notes on pages 60 to 93 form part of the financial statements.

The financial statements of the Royal British Legion, registered charity no. 219279, were approved by the Board of Trustees and authorised for issue on 15 April 2021.

These were signed on its behalf by:



Una Cleminson  
National Chairman

## Royal British Legion

Cash Flow Statement for the year ended 30 September 2020

|  | Note      | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|--|-----------|------------------------|------------------------|--------------------------|--------------------------|
| <b>Net cash absorbed by operating activities</b>                                     | <b>A</b>  | <b>(9,164)</b>         | <b>(12,719)</b>        | <b>(4,198)</b>           | <b>(11,283)</b>          |
| <b>Cash flows from investing activities</b>  |           |                        |                        |                          |                          |
| Dividends, interest and rents from investments                                       |           | 5,513                  | 6,621                  | 5,072                    | 6,151                    |
| Purchase of tangible fixed assets  |           | (3,088)                | (6,650)                | (1,898)                  | (5,534)                  |
| Purchase of intangible fixed assets  |           | (1,393)                | (1,222)                | (1,342)                  | (1,222)                  |
| Proceeds from sale of investments  |           | 1,495                  | 7,548                  | 1,495                    | 7,548                    |
| Purchase of investments  |           | (946)                  | (2,100)                | (981)                    | (1,259)                  |
| <b>Net cash provided by investing activities</b>                                     |           | <b>1,581</b>           | <b>4,197</b>           | <b>2,346</b>             | <b>5,684</b>             |
| <b>Change in cash and cash equivalents in the year</b>                               |           | <b>(7,583)</b>         | <b>(8,522)</b>         | <b>(1,852)</b>           | <b>(5,599)</b>           |
| <b>Cash and cash equivalents at the beginning of the year</b>                        |           | <b>59,231</b>          | <b>67,753</b>          | <b>48,014</b>            | <b>53,613</b>            |
| <b>Cash and cash equivalents at the end of the year</b>                              | <b>23</b> | <b>51,648</b>          | <b>59,231</b>          | <b>46,162</b>            | <b>48,014</b>            |
| <b>A. Reconciliation of net income to net cash flow from operating activities</b>    |           |                        |                        |                          |                          |
| Net (expenditure)/income for the year (as per the Statement of Financial Activities) |           | (17,006)               | 7,655                  | (15,034)                 | 7,244                    |
| Adjustments for:   |           |                        |                        |                          |                          |
| Depreciation, amortisation and impairment charges                                    |           | 13,232                 | 3,888                  | 12,413                   | 3,294                    |
| Gains on investments   |           | (742)                  | (13,453)               | (700)                    | (12,968)                 |
| Dividends, interest and rents from investments                                       |           | (5,513)                | (6,621)                | (5,072)                  | (6,151)                  |
| Gift of investment property  |           | (582)                  | -                      | -                        | -                        |
| Loss on sale of tangible and intangible fixed assets                                 |           | 2,756                  | 29                     | 2,751                    | 6                        |
| Decrease/(increase) in stock   |           | 511                    | (690)                  | -                        | -                        |
| Decrease in programme-related investments  |           | 498                    | 580                    | 498                      | 603                      |
| (Increase)/decrease in debtors   |           | (13)                   | (1,613)                | 1,680                    | (251)                    |
| Decrease in creditors  |           | (8,609)                | (3,579)                | (7,034)                  | (4,122)                  |
| Increase in provisions   |           | 956                    | 7                      | 956                      | 7                        |
| Reclassification of fixed assets to current assets                                   |           | 5,175                  | -                      | 5,175                    | -                        |
| Adjustment in respect of pension funding   |           | 173                    | 1,078                  | 169                      | 1,055                    |
| <b>Net cash absorbed by operating activities</b>                                     |           | <b>(9,164)</b>         | <b>(12,719)</b>        | <b>(4,198)</b>           | <b>(11,283)</b>          |



## Royal British Legion – Notes to the Accounts for the year ended 30 September 2020

### Notes to the Accounts for the year ended 30 September 2020

#### 1 Principal Accounting Policies

##### Accounting convention

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the 'Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (SORP 2019), and applicable UK law. The financial statements are prepared on an accruals basis except that the results from branches have been extracted from returns submitted on a receipts and payments basis. The branch financial year runs from 1 July to 30 June. The branch results included in these accounts are for the year to 30 June 2020, with prior year comparatives (2019) for the year to 30 June 2019.

The group meets the definition of a public benefit entity under FRS 102 and the financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy note.

##### Group financial statements

These financial statements comprise the central General and Benevolent funds vested in the Board of Trustees in accordance with the Royal British Legion's ("the RBL") Royal Charter. As agreed with the Charity Commission and in accordance with FRS 102, they include the results, assets and liabilities of the RBL's counties, districts, branches and Women's Section. The RBL's policy is to consolidate results of all branches, counties and districts based upon receipt of individual returns. Where returns are not received, assets are included at the previously reported value adjusted for known transactions. The subsidiaries and organisations listed in note 14 have been consolidated on a line-by-line basis.

Four organisations that carry the RBL's name but are not controlled by the RBL have not been included in these financial statements, namely, Royal British Legion Industries, The Royal British Legion Poppy Factory Limited, The Royal British Legion Attendants Company Trust and Royal British Legion Scotland. The accounts do not include the results of affiliated social clubs, which are not controlled by the charity but are separately registered organisations licensed to use the RBL's name.

##### Fund accounting

*Unrestricted funds* are expendable at the discretion of the Trustees in furtherance of the objects of the charity.

*Restricted funds* represent grants, donations, legacies and property which are given by the donor for specific purposes and which must be used for that purpose. All restricted funds are held within the Benevolent fund unless otherwise stated. Restricted funds include permanent endowment funds, which are not material and are not therefore shown separately on the face of the balance sheet. The funds of The National Memorial Arboretum Company Limited and its subsidiary (NMA (Enterprises) Limited), the Earl Haig Fund Scotland and the Lady Haig Poppy Factory (Poppyscotland Group), and the Royal British Legion Republic of Ireland, are held within restricted funds since their objects are narrower than those of The Royal British Legion group.

##### Income

Income is recognised in the year in which the RBL is entitled to receipt of that income and when the amount can be measured with reasonable accuracy. In accordance with this policy:

- *Legacies* are included as follows: Pecuniary legacies are recognised when the legacy has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the legacy will be received. Residual legacies are recognised on receipt of Estate Accounts. Legacies subject to a life interest held by another party are not recognised.
- *Grants* are included when the conditions for recognition as set out in the funding contract have been complied with.
- *Donations* are accounted for in the year of receipt. Poppy Appeal donations are accounted for when banked.
- *Fundraising lottery income* is recognised when the lottery draw has taken place. Income received in advance for future lottery draws is deferred until the lottery draw takes place.
- *Fees from residential care homes* are recognised on an accruals basis.
- *Membership fees* are recognised on an accruals basis.
- *Investment income* from the centrally held investment portfolio is accounted for on an accruals basis and includes dividends declared but not yet received. Investment income includes rental income earned by branches.
- *Income received through branches* from fundraising and other activities is recognised for branches on the basis of branch returns for the year to 30 June 2020.
- *Gifts in kind and donated services* are recognised when received. They are valued at market value based on information provided by the donor, or if no such information is available, based on suitable alternative sources of market value available to the RBL.

The economic value of time given by volunteers is not included in these financial statements as it cannot be reasonably and accurately calculated.

## Royal British Legion – Notes to the Accounts for the year ended 30 September 2020

### Notes to the Accounts for the year ended 30 September 2020

##### Expenditure

Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included with the expense items to which it relates. Expenditure comprises:

- *Cost of raising funds* includes expenditure on poppies and other fundraising items, staff and related expenditure of the Poppy Appeal, costs of the central fundraising department, commercial (trading) activities and investment-management fees.
- *Charitable activities* includes expenditure directly related to the delivery of the services (including staff costs) provided by the charity to eligible beneficiaries, and includes the cost of residential care, welfare Break Centres, community welfare services, and Remembrance and comradeship. It also includes the cost of supporting and maintaining the RBL's extensive membership and the costs of campaigning on behalf of beneficiaries. The cost of evaluating, supporting and managing charitable programmes is also included and further analysed in the notes to the accounts.
- *Certain campaign costs* are allocated between Cost of raising funds and Charitable activities on the basis of the percentages of space within the literature relating to fundraising and raising awareness respectively.
- *Support costs* include the central functions such as general management, financial administration, information technology, human resources, governance and facilities management.

Grants payable are recognised in the Statement of Financial Activities when awarded and the recipient has a valid expectation of receipt, thus creating a constructive or legal obligation.

Future grant expenditure commitments are included within creditors on the balance sheet at their net present value, using a discount rate equivalent to the yield on Treasury Gilts over the period of the grant.

##### Allocation of costs

Where possible, the RBL's operating costs, which include staff costs, are allocated directly to the various categories of charitable expenditure or cost of raising funds. Where costs are not directly attributable to any category, they have been apportioned on an appropriate basis to reflect, in each case, an estimate of the efforts and resources devoted to each category of activity – see note 13. Activities which are predominantly outsourced bear no allocation of support costs.

##### Stocks, poppies and wreaths

The majority of stock relates to Poppy Shop products held for resale by Royal British Legion Trading Ltd. Stock also includes poppies and wreaths produced at the Lady Haig Poppy Factory, which are manufactured for external resale. Stocks are valued at the lower of cost and net realisable value and include direct costs of labour and materials, plus allocation of general overheads. Poppies and wreaths produced for distribution during the Poppy Appeal are expensed immediately.

##### Staff pension schemes

There are five staff pension schemes, which are accounted for in accordance with FRS 102 section 28. There are two defined benefit schemes closed to future accrual; the Royal British Legion Staff Pension Fund and the Earl Haig Defined Benefit Scheme. The remaining three are current, defined contribution schemes; the Group Flexible Retirement Plan, The Earl Haig Fund Scotland Stakeholder Scheme and the Lady Haig Poppy Factory Stakeholder Scheme. Further details are included in note 16 to the accounts.

For the defined benefit schemes, valuations are undertaken by an independent actuary. The current service costs of the Earl Haig Defined Benefit Scheme are charged to employee costs over the anticipated period of employment. Net pension finance income or costs are included immediately in other income or employee costs as appropriate. Actuarial gains and losses are recognised immediately on the face of the Statement of Financial Activities. The RBL's share of the scheme deficits is included as a liability on the balance sheet.

For the defined contribution schemes, the amount charged to the Statement of Financial Activities represents the employer contributions payable for the year.



## Royal British Legion

### Notes to the Accounts for the year ended 30 September 2020

#### Investments and bank deposits

Fixed asset investments are stated at market value. Gains and losses arising from either the change in market value or on sale are included in the Statement of Financial Activities. Income from listed investments is accrued when due for payment. Interest on deposits is accrued on a daily basis.

Properties not used for charitable purposes are classified as investment properties and are included in investments at market value. Investment properties are revalued on a rolling five-year basis, with 20% of properties being revalued each year internally by qualified surveyors in our Estates team. The remaining 80% of properties are reviewed for material changes.

Programme-related investments are held at the amount invested less any impairment. These are reviewed on an annual basis and any impairment is immediately recognised in the Statement of Financial Activities.

#### Tangible and intangible fixed assets

Purchases of individual tangible and intangible fixed assets costing more than £50,000, or purchases related to capital projects costing more than £50,000 in total, are capitalised.

*Functional properties (freehold and leasehold)* used by the charity are included at cost, where known, or valuation at date of acquisition. Branch properties acquired or gifted before 1 October 1995, where the original cost cannot be established, are included at a nominal value of £1 each. Depreciation on functional properties is provided on the cost of buildings on a straight line basis over 50 years or the term of the lease if less. Leasehold improvements are depreciated over the term of the lease. The head office building, Haig House, is depreciated over its expected useful life of 33 years.

*Plant, machinery and equipment* where capitalised is included at cost. Depreciation is provided over 5 years from the month of first use.

*Software, databases and licences*, where capitalised, are included at cost, which includes the cost of internal development where applicable. Amortisation is provided over 5 years from the month of first use where no distinct life of the asset can be identified at the point of capitalisation; where the life is known, for example licences, amortisation is provided over the life of the asset.

Tangible and intangible fixed assets that are under construction are classified as Assets Under Construction and are transferred into the appropriate category on project completion, when depreciation then commences.

The useful economic lives and residual lives of fixed assets are reviewed at the end of each accounting year to consider whether there has been an impairment. Impairments are charged to the Statement of Financial Activities.

#### Heritage assets

The Armed Forces Memorial (AFM) is included as a heritage asset in the accounts of The National Memorial Arboretum Company Limited at a nominal value of £1. The Trustees consider that the cost of ascertaining a definite value through a surveyor's valuation significantly outweighs the benefit gained from such a valuation.

#### Financial and operating leases

Instalments payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease. Any lease incentives (such as rent-free periods) are spread over the life of the lease. The group does not have any material finance leases.

## Royal British Legion

### Notes to the Accounts for the year ended 30 September 2020

#### Taxation

The activities of the RBL and its charitable subsidiaries are exempt from corporation tax under Chapter 3 of Part 11 to the Corporation Tax Act 2010, to the extent that they are applied to the organisation's charitable objects. The trading subsidiaries do not generally pay UK corporation tax because their policy is to pay their taxable profits as Gift Aid to the RBL.

#### Foreign exchange

The RBL has no significant exposure to foreign exchange gains or losses. Foreign branches and districts make returns once a year and their results, along with those of the Royal British Legion Republic of Ireland, are included in these accounts, converted to sterling at the exchange rate as at 30 September 2020.

#### Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price (including transaction costs) and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any discount offered and net of any bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

## 2 Critical accounting judgements and key sources of estimation uncertainty

In application of the accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

A material valuation uncertainty was disclosed in the charity's investment property valuation report for the year ended 30 September 2020. The market value of the properties valued in the year was £15.1 million, and the market value of the investment portfolio as at the year end was £66.1 million. The unprecedented set of circumstances caused by Covid-19 led to an absence of relevant/sufficient market evidence on which to base judgements, which increased the estimated uncertainty over the valuation at the balance sheet date. However, this does not mean that the valuation cannot be relied upon. Rather the note in the valuation report was included to ensure transparency and to provide insight as to the market context under which the valuation opinion was prepared.

The Trustees do not consider there are any further critical judgements or key sources of estimation uncertainty requiring disclosure that are not already described within note 1 above.



## 3 Consolidated Comparative Statement of Financial Activities

|  | Unrestricted funds<br>2019<br>£'000 | Restricted funds<br>2019<br>£'000 | Total<br>2019<br>£'000 |
|--|-------------------------------------|-----------------------------------|------------------------|
| <b>Income and endowments from</b>                    |                                     |                                   |                        |
| Donations and legacies                               | 93,801                              | 7,516                             | 101,317                |
| Charitable activities                                | 21,809                              | 22,806                            | 44,615                 |
| Other trading activities                             | 20,183                              | 2,756                             | 22,939                 |
| Investments  | 2,719                               | 3,902                             | 6,621                  |
| Other  | -                                   | 391                               | 391                    |
| <b>Total income</b>                                  | <b>138,512</b>                      | <b>37,371</b>                     | <b>175,883</b>         |
| <b>Expenditure on</b>                                |                                     |                                   |                        |
| <b>Raising funds</b>                                 | <b>36,867</b>                       | <b>6,624</b>                      | <b>43,491</b>          |
| <b>Charitable activities</b>                         |                                     |                                   |                        |
| Care   | 34,061                              | 690                               | 34,751                 |
| Personnel Recovery Centres                           | 2,394                               | 102                               | 2,496                  |
| Community Welfare                                    | 46,727                              | 16,997                            | 63,724                 |
| Membership   | 7,900                               | 1,118                             | 9,018                  |
| Comradeship  | 595                                 | -                                 | 595                    |
| Communications and campaigning                       | 12,806                              | -                                 | 12,806                 |
| Remembrance and ceremonial                           | 2,258                               | 12,544                            | 14,802                 |
| <b>Total charitable activities</b>                   | <b>106,741</b>                      | <b>31,451</b>                     | <b>138,192</b>         |
| <b>Total expenditure</b>                             | <b>143,608</b>                      | <b>38,075</b>                     | <b>181,683</b>         |
| <b>Net expenditure before investment gains</b>       | <b>(5,096)</b>                      | <b>(704)</b>                      | <b>(5,800)</b>         |
| Net gains on disposal of investments                 | 1,094                               | 2,791                             | 3,885                  |
| Unrealised gains on revaluation of investments       | 4,669                               | 4,899                             | 9,568                  |
| <b>Net income before tax</b>                         | <b>667</b>                          | <b>6,986</b>                      | <b>7,653</b>           |
| Taxation credit                                      | 2                                   | -                                 | 2                      |
| <b>Net income for the year</b>                       | <b>669</b>                          | <b>6,986</b>                      | <b>7,655</b>           |
| Transfers between funds                              | 5,963                               | (5,963)                           | -                      |
| <b>Other recognised (losses)/gains</b>               |                                     |                                   |                        |
| Actuarial gains on defined benefit pension scheme    | (1,446)                             | (41)                              | (1,487)                |
| <b>Net movement in funds</b>                         | <b>5,186</b>                        | <b>982</b>                        | <b>6,168</b>           |
| Fund balances brought forward at 1 October           | 183,648                             | 181,992                           | 365,640                |
| <b>Fund balances carried forward at 30 September</b> | <b>188,834</b>                      | <b>182,974</b>                    | <b>371,808</b>         |

## 3a Charity Comparative Statement of Financial Activities

|   | Unrestricted funds<br>2019<br>£'000 | Restricted funds<br>2019<br>£'000 | Total<br>2019<br>£'000 |
|---|-------------------------------------|-----------------------------------|------------------------|
| <b>Income and endowments from</b>                       |                                     |                                   |                        |
| Donations and legacies                                  | 96,883                              | 1,839                             | 98,722                 |
| Charitable activities                                   | 24,185                              | 19,437                            | 43,622                 |
| Other trading activities                                | 5,273                               | 11                                | 5,284                  |
| Investments   | 2,719                               | 3,432                             | 6,151                  |
| Other   | -                                   | 356                               | 356                    |
| <b>Total income</b>                                     | <b>129,060</b>                      | <b>25,075</b>                     | <b>154,135</b>         |
| <b>Expenditure on</b>                                   |                                     |                                   |                        |
| <b>Raising funds</b>                                    | <b>28,121</b>                       | <b>17</b>                         | <b>28,138</b>          |
| <b>Charitable activities</b>                            |                                     |                                   |                        |
| Care  | 34,061                              | 690                               | 34,751                 |
| Personnel Recovery Centres                              | 2,394                               | 102                               | 2,496                  |
| Community Welfare                                       | 48,938                              | 12,044                            | 60,982                 |
| Membership  | 7,900                               | 1,054                             | 8,954                  |
| Comradeship   | 595                                 | -                                 | 595                    |
| Communications and campaigning                          | 12,806                              | -                                 | 12,806                 |
| Remembrance and ceremonial                              | 2,258                               | 8,879                             | 11,137                 |
| <b>Total charitable activities</b>                      | <b>108,952</b>                      | <b>22,769</b>                     | <b>131,721</b>         |
| <b>Total expenditure</b>                                | <b>137,073</b>                      | <b>22,786</b>                     | <b>159,859</b>         |
| <b>Net (expenditure)/income before investment gains</b> | <b>(8,013)</b>                      | <b>2,289</b>                      | <b>(5,724)</b>         |
| Net gains on disposal of investments                    | 1,094                               | 2,791                             | 3,885                  |
| Unrealised gains on revaluation of investments          | 4,669                               | 4,414                             | 9,083                  |
| <b>Net (expenditure)/income for the year</b>            | <b>(2,250)</b>                      | <b>9,494</b>                      | <b>7,244</b>           |
| Transfers between funds                                 | 8,270                               | (8,270)                           | -                      |
| <b>Other recognised losses</b>                          |                                     |                                   |                        |
| Actuarial losses on defined benefit pension scheme      | (1,446)                             | -                                 | (1,446)                |
| <b>Net movement in funds</b>                            | <b>4,574</b>                        | <b>1,224</b>                      | <b>5,798</b>           |
| Fund balances brought forward at 1 October              | 180,530                             | 142,581                           | 323,111                |
| <b>Fund balances carried forward at 30 September</b>    | <b>185,104</b>                      | <b>143,805</b>                    | <b>328,909</b>         |



## 4 Donations and legacies

|                                     | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|-------------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| <b>Voluntary income</b>             |                        |                        |                          |                          |
| Donations                           | 20,927                 | 24,570                 | 22,346                   | 25,547                   |
| Legacies                            | 19,664                 | 21,794                 | 19,175                   | 21,274                   |
| The Poppy Appeal                    | 46,526                 | 54,953                 | 44,180                   | 51,901                   |
| <b>Total donations and legacies</b> | <b>87,117</b>          | <b>101,317</b>         | <b>85,701</b>            | <b>98,722</b>            |

The total of the Poppy Appeal launched in October 2019 in England, Wales and Northern Ireland was £44.180 million (2019: £51.901 million). This includes cash collected of £43.040 million (2019: £48.231 million), legacies of £190,000 (2019: £366,000) and other donations of £950,000 (2019: £3.304 million). The Poppy Appeal in Scotland raised £2.279 million (2019: £2.948 million), and a further £67,000 (2019: £104,000) was raised by the Royal British Legion Republic of Ireland.

At 30 September 2020, the RBL had been advised of its interest in residuary and pecuniary legacies with estimated values of £1.675 million (2019: £1.05 million) and these are included in the accounts. Not included in the accounts are interests in life interest legacies with a value of £978,000 (2019: £783,000) where the conditions for acceptance had not been met. The RBL has also been notified of legacies estimated at a potential value of £18.16 million (2019: £13.52 million). These are a mixture of residuary legacies that are not recognised in these accounts as confirmation of entitlement has not been received and the value cannot be confirmed at the balance sheet date, and pecuniary legacies where the executor has not confirmed sufficient funds will exist in the estate once realised.

Included in Donations above is pro bono legal support of £82,500 (2019: £107,500) from J A Kemp, Mayer Brown LLP, Withers LLP and RSA. Also included are other benefits-in-kind valued at £185,000 (2019: £90,000).

## 5 Charitable activities

|   | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|---|------------------------|------------------------|--------------------------|--------------------------|
| <b>Grants for welfare services and Remembrance</b>                |                        |                        |                          |                          |
| Aged Veterans' Healthy Living Programme and Veterans Medical Fund | 446                    | 7,200                  | 446                      | 7,200                    |
| Grant from Poppy Lottery  | -                      | -                      | 2,301                    | 2,376                    |
| Ex-service charities and other organisations (almonisation)       | 2,807                  | 2,790                  | 2,631                    | 2,625                    |
| Contributions for Remembrance activities                          | 3,056                  | 10,575                 | 1,817                    | 9,095                    |
| Grants towards capital projects                                   | -                      | 20                     | -                        | -                        |
| Other grants and contributions                                    | 3,480                  | 1,492                  | 2,305                    | 416                      |
| <b>Total grants for welfare services and Remembrance</b>          | <b>9,789</b>           | <b>22,077</b>          | <b>9,500</b>             | <b>21,712</b>            |
| Fees from residential care homes                                  | 16,874                 | 17,147                 | 16,874                   | 17,147                   |
| Membership fees   | 4,083                  | 4,402                  | 4,079                    | 4,401                    |
| Income from charitable services                                   | 816                    | 989                    | 397                      | 362                      |
| <b>Total other income from charitable activities</b>              | <b>21,773</b>          | <b>22,538</b>          | <b>21,350</b>            | <b>21,910</b>            |
| <b>Total income from charitable activities</b>                    | <b>31,562</b>          | <b>44,615</b>          | <b>30,850</b>            | <b>43,622</b>            |

Almonisation income is the contribution from other charities towards grants paid by the RBL to individuals when the recipient of assistance is also a beneficiary of these other charities.

Income from other grants and contributions includes non-performance related grants of which £1.4 million are government grants (2019: £nil). This relates to income from the Coronavirus Job Retention Scheme. There were no unfulfilled conditions or other contingencies relating to government grant income recognised in the year.

## 6 Other trading activities

|   | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|---|------------------------|------------------------|--------------------------|--------------------------|
| Fundraising events income                         | 1,398                  | 2,526                  | 1,397                    | 2,519                    |
| Fundraising lotteries                             | 8,528                  | 8,351                  | 5,050                    | 2,215                    |
| Income from commercial activities                 | 8,693                  | 11,526                 | 10                       | 14                       |
| Licence fees and royalties                        | 21                     | 94                     | 21                       | 94                       |
| Advertising in the Legion magazine                | 213                    | 442                    | 213                      | 442                      |
| <b>Total income from other trading activities</b> | <b>18,853</b>          | <b>22,939</b>          | <b>6,691</b>             | <b>5,284</b>             |

## 7 Investment income

|  | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Dividends and interest on listed investments | 3,092                  | 2,998                  | 2,669                    | 2,540                    |
| Investment income on funds held by branches  | 311                    | 696                    | 311                      | 696                      |
| Rentals from investment properties           | 1,854                  | 2,472                  | 1,854                    | 2,471                    |
| Bank deposit interest                        | 256                    | 455                    | 238                      | 444                      |
| <b>Total investment income</b>               | <b>5,513</b>           | <b>6,621</b>           | <b>5,072</b>             | <b>6,151</b>             |

Rentals from investment properties with a market value of £66.706 million (note 20) at 30 September 2020 (2019: £65.019 million) are in most cases received in relation to the rental of properties by RBL clubs. The clubs are independent entities, which use the RBL's name under licence and promote the work of the RBL in return for discounted rentals, which in many cases are lower than could be obtained in a commercial environment.



## 8 Cost of raising funds

|  | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Donations costs                          | 8,112                  | 9,380                  | 6,481                    | 6,944                    |
| Legacies costs                           | 1,978                  | 1,835                  | 1,785                    | 1,795                    |
| Poppy Appeal costs                       | 14,187                 | 14,225                 | 12,947                   | 13,469                   |
| <b>Cost of raising voluntary income</b>  | <b>24,277</b>          | <b>25,440</b>          | <b>21,213</b>            | <b>22,208</b>            |
| Fundraising events costs                 | 2,360                  | 3,340                  | 2,360                    | 3,308                    |
| Fundraising lotteries costs              | 3,963                  | 5,929                  | 2,758                    | 2,130                    |
| Commercial activities (trading)          | 7,191                  | 8,333                  | (29)                     | 43                       |
| <b>Cost of activities to raise funds</b> | <b>13,514</b>          | <b>17,602</b>          | <b>5,089</b>             | <b>5,481</b>             |
| <b>Investment management</b>             | <b>404</b>             | <b>449</b>             | <b>395</b>               | <b>449</b>               |
| <b>Total cost of raising funds</b>       | <b>38,195</b>          | <b>43,491</b>          | <b>26,697</b>            | <b>28,138</b>            |

The total cost of raising funds for the group of £38.195 million (2019: £43.491 million) includes direct costs of £32.838 million (2019: £38.534 million) and allocated support costs of £5.357 million (2019: £4.957 million). Allocated support costs are described in further detail in note 13.

Certain direct costs of campaigns have a parallel purpose of increasing public awareness and fundraising, and as a result, these costs have been allocated between the cost of raising funds in note 8 and charitable activities in note 9 on the basis of the percentages of space within the literature relating to fundraising and raising awareness respectively. The total expenditure of this nature is £9.139 million (2019: £8.052 million), of which £5.848 million (2019: £5.261 million) remains within cost of raising funds representing the fundraising element of the literature, and £3.291 million (2019: £2.791 million) has been reallocated into charitable activities representing the raising-awareness element.

## 9 Analysis of charitable activities

|  | Note | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|--|------|------------------------|------------------------|--------------------------|--------------------------|
| Residential care homes                               |      | 31,343                 | 28,562                 | 31,343                   | 28,562                   |
| Welfare Break Centres                                |      | 13,402                 | 6,189                  | 13,402                   | 6,189                    |
| <b>Total care</b>                                    |      | <b>44,745</b>          | <b>34,751</b>          | <b>44,745</b>            | <b>34,751</b>            |
| <b>Personnel Recovery Centres</b>                    |      | <b>1,527</b>           | <b>2,496</b>           | <b>1,527</b>             | <b>2,496</b>             |
| Welfare grants to individuals                        |      | 11,673                 | 15,903                 | 10,897                   | 14,957                   |
| Grants to other organisations                        | 10   | 5,326                  | 12,687                 | 5,955                    | 12,213                   |
| Information, advice and support                      |      | 28,335                 | 31,661                 | 26,392                   | 30,339                   |
| Welfare cost in branches, counties and districts     |      | 3,184                  | 3,473                  | 3,184                    | 3,473                    |
| <b>Total community welfare</b>                       |      | <b>48,518</b>          | <b>63,724</b>          | <b>46,428</b>            | <b>60,982</b>            |
| Central membership support                           |      | 4,239                  | 4,503                  | 4,220                    | 4,504                    |
| Recruitment, development, training                   |      | 441                    | 568                    | 441                      | 568                      |
| Support to branches with clubs                       |      | 228                    | 229                    | 228                      | 229                      |
| The Legion magazine                                  |      | 694                    | 846                    | 694                      | 846                      |
| Membership costs in branches, counties and districts |      | 2,387                  | 2,872                  | 2,387                    | 2,807                    |
| <b>Total membership</b>                              |      | <b>7,989</b>           | <b>9,018</b>           | <b>7,970</b>             | <b>8,954</b>             |
| <b>Comradeship</b>                                   |      | <b>510</b>             | <b>595</b>             | <b>510</b>               | <b>595</b>               |
| Direct cost of communication and campaigning         |      | 8,894                  | 10,015                 | 8,894                    | 10,015                   |
| Allocated cost of communication and campaigning      |      | 3,291                  | 2,791                  | 3,291                    | 2,791                    |
| <b>Total communication and campaigning</b>           |      | <b>12,185</b>          | <b>12,806</b>          | <b>12,185</b>            | <b>12,806</b>            |
| Festival of Remembrance                              |      | 884                    | 826                    | 884                      | 826                      |
| Ceremonial and commemorative events                  |      | 2,924                  | 9,775                  | 2,890                    | 9,710                    |
| Remembrance tours                                    |      | 328                    | 601                    | 328                      | 601                      |
| National Memorial Arboretum operating costs          |      | 3,165                  | 3,600                  | -                        | -                        |
| <b>Total Remembrance and ceremonial</b>              |      | <b>7,301</b>           | <b>14,802</b>          | <b>4,102</b>             | <b>11,137</b>            |
| <b>Total cost of charitable activities</b>           |      | <b>122,775</b>         | <b>138,192</b>         | <b>117,467</b>           | <b>131,721</b>           |

The total cost of charitable activities for the group of £122.775 million (2019: £138.192 million) includes direct costs of £102.649 million (2019: £118.629 million) and allocated support costs of £20.126 million (2019: £19.563 million). Allocated support costs are described in further detail in note 13.

As stated in note 8, the cost of charitable activities includes an allocation of £3.291 million (2019: £2.791 million), relating to costs associated with space within campaign literature relating to raising awareness.



**10 Grants awarded to other organisations**

|   | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
|---|---------------------------------|------------------------|-----------------------------------|--------------------------|
| <b>Grants awarded by the Charity</b>                                    |                                 |                        |                                   |                          |
| The Officers' Association   | -                               | 6,700                  | -                                 | 6,700                    |
| Personnel Recovery Centres  | -                               | 204                    | -                                 | 204                      |
| Combat Stress   | <b>2,951</b>                    | 1,550                  | <b>2,951</b>                      | 1,550                    |
| Help for Heroes   | -                               | 600                    | -                                 | 600                      |
| National Memorial Arboretum   | -                               | -                      | <b>2,300</b>                      | 1,192                    |
| Poppyscotland   | -                               | -                      | <b>356</b>                        | 1,019                    |
| Grants to 20 other charities and voluntary organisations (2019: 34)     | <b>348</b>                      | 948                    | <b>348</b>                        | 948                      |
| <b>Grants awarded by Poppyscotland</b>                                  |                                 |                        |                                   |                          |
| Unforgotten Forces  | <b>521</b>                      | 1,384                  | -                                 | -                        |
| Citizens Advice Scotland  | <b>522</b>                      | 551                    | -                                 | -                        |
| Grants to 15 other charities and voluntary organisations (2019: 11)     | <b>984</b>                      | 693                    | -                                 | -                        |
| <b>Grants awarded by Royal British Legion Republic of Ireland</b>       |                                 |                        |                                   |                          |
| Grants to charities and voluntary organisations awarded – nil (2019: 2) | -                               | 57                     | -                                 | -                        |
| <b>Total grants to other organisations</b>                              | <b>5,326</b>                    | <b>12,687</b>          | <b>5,955</b>                      | <b>12,213</b>            |

Grants awarded may relate to commitments for multiple future years. For more information on grant commitments, see note 25.

**11 Taxation**

|  | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 |
|--|---------------------------------|------------------------|
| Current tax (charge)/credit:   |                                 |                        |
| UK corporation tax (see below)   | -                               | 2                      |
| Adjustment to deferred tax   | <b>(3)</b>                      | -                      |
| <b>Total tax (charge)/credit on income</b>   | <b>(3)</b>                      | <b>2</b>               |
| The taxation charges and credits above arise in the trading subsidiary operations.   |                                 |                        |
| The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the surplus before tax in the trading subsidiary operations is as follows: |                                 |                        |
|  | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 |
| Surplus on ordinary activities before tax  | <b>2,388</b>                    | 4,371                  |
| Surplus on ordinary activities multiplied by applicable rate of corporation tax of 19% (2019: 19%)   | <b>453</b>                      | 831                    |
| Unutilised Losses  | <b>19</b>                       | -                      |
| Effects of:  |                                 |                        |
| Post-balance sheet event: effect of Gift Aid donations (see note 32)   | <b>(472)</b>                    | (833)                  |
| Tax credit not recognised due to uncertainty over future profits   | -                               | 1                      |
| UK corporation tax charge/(credit) for the year  | -                               | <b>2</b>               |

**12 Net outgoing/incoming resources for the year is stated after charging:**

|  | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
|--|---------------------------------|------------------------|-----------------------------------|--------------------------|
| Fees payable to the charity's auditor for the audit of the charity's annual accounts     | <b>177</b>                      | 161                    | <b>177</b>                        | 161                      |
| Fees payable to the charity's auditor for the audit of the subsidiaries' annual accounts | <b>99</b>                       | 97                     | -                                 | -                        |
| Fees payable to the charity's auditor for other services:                                |                                 |                        |                                   |                          |
| Assurance services other than audit or independent examination                           | <b>2</b>                        | 2                      | <b>1</b>                          | 1                        |
| Tax advisory services  | <b>11</b>                       | 8                      | <b>2</b>                          | 2                        |
| Other advisory services  | -                               | -                      | -                                 | -                        |
| Branch, county and district audit and examination fees                                   | <b>32</b>                       | 41                     | <b>32</b>                         | 41                       |
| Depreciation, amortisation and impairment charges  | <b>13,232</b>                   | 3,888                  | <b>12,413</b>                     | 3,294                    |
| Rentals under operating leases   | <b>2,998</b>                    | 2,982                  | <b>2,916</b>                      | 2,901                    |



| 13 Support costs  |   |   |                                     |                                    |                             |                                   |                               |                                 |
|---|---|---|-------------------------------------|------------------------------------|-----------------------------|-----------------------------------|-------------------------------|---------------------------------|
|   | Head Office<br>Central<br>2020<br>£'000 | Facilities<br>Management<br>2020<br>£'000 | Human<br>Resources<br>2020<br>£'000 | Finance<br>and IT<br>2020<br>£'000 | Governance<br>2020<br>£'000 | Total<br>Charity<br>2020<br>£'000 | Subsidiaries<br>2020<br>£'000 | Total<br>Group<br>2020<br>£'000 |
| Donations costs   | 141                                     | 161                                       | 112                                 | 639                                | 62                          | 1,115                             | 381                           | 1,496                           |
| Legacies costs  | 44                                      | 51  | 35                                  | 201                                | 20                          | 351                               | 59                            | 410                             |
| Poppy Appeal costs                                      | -                                       | 383                                       | 265                                 | 1,516                              | 148                         | 2,312                             | 404                           | 2,716                           |
| Fundraising events costs                                | 58                                      | 66  | 46                                  | 262                                | 26                          | 458                               | -                             | 458                             |
| Fundraising lotteries costs                             | 35                                      | 40  | 28                                  | 159                                | 15                          | 277                               | -                             | 277                             |
| <b>Cost of raising funds</b>                            | <b>278</b>                              | <b>701</b>                                | <b>486</b>                          | <b>2,777</b>                       | <b>271</b>                  | <b>4,513</b>                      | <b>844</b>                    | <b>5,357</b>                    |
| Residential care homes                                  | -                                       | 1,975                                     | 1,369                               | 2,393                              | 764                         | 6,501                             | -                             | 6,501                           |
| Welfare Break Centres                                   | -                                       | 176                                       | 122                                 | 213                                | 68                          | 579                               | -                             | 579                             |
| <b>Care</b>   | <b>-</b>                                | <b>2,151</b>                              | <b>1,491</b>                        | <b>2,606</b>                       | <b>832</b>                  | <b>7,080</b>                      | <b>-</b>                      | <b>7,080</b>                    |
| <b>Personnel Recovery Centres</b>                       | <b>-</b>                                | <b>14</b>                                 | <b>9</b>                            | <b>16</b>                          | <b>5</b>                    | <b>44</b>                         | <b>-</b>                      | <b>44</b>                       |
| Information, advice and support                         | 868                                     | 997                                       | 691                                 | 3,951                              | 385                         | 6,892                             | 1,370                         | 8,262                           |
| Welfare cost in branches,<br>counties and districts     | 29                                      | 34  | 23                                  | 134                                | 13                          | 233                               | -                             | 233                             |
| <b>Community welfare</b>                                | <b>897</b>                              | <b>1,031</b>                              | <b>714</b>                          | <b>4,085</b>                       | <b>398</b>                  | <b>7,125</b>                      | <b>1,370</b>                  | <b>8,495</b>                    |
| Central membership support                              | 145                                     | 166                                       | 115                                 | 659                                | 64                          | 1,149                             | 19                            | 1,168                           |
| Recruitment, development,<br>training                   | 17                                      | 20  | 14                                  | 78                                 | 8                           | 137                               | -                             | 137                             |
| Support to branches with clubs                          | 9                                       | 10  | 7                                   | 39                                 | 4                           | 69                                | -                             | 69                              |
| Membership costs in branches,<br>counties and districts | -                                       | -   | -                                   | -                                  | -                           | -                                 | -                             | -                               |
| <b>Membership</b>                                       | <b>171</b>                              | <b>196</b>                                | <b>136</b>                          | <b>776</b>                         | <b>76</b>                   | <b>1,355</b>                      | <b>19</b>                     | <b>1,374</b>                    |
| <b>Comradeship</b>                                      | <b>11</b>                               | <b>12</b>                                 | <b>9</b>                            | <b>49</b>                          | <b>5</b>                    | <b>86</b>                         | <b>-</b>                      | <b>86</b>                       |
| Direct cost of communications<br>and campaigning        | 149                                     | 171                                       | 119                                 | 678                                | 66                          | 1,183                             | -                             | 1,183                           |
| <b>Communications and<br/>campaigning</b>               | <b>149</b>                              | <b>171</b>                                | <b>119</b>                          | <b>678</b>                         | <b>66</b>                   | <b>1,183</b>                      | <b>-</b>                      | <b>1,183</b>                    |
| Ceremonial and<br>commemorative events                  | 30                                      | 35  | 24                                  | 138                                | 14                          | 241                               | 29                            | 270                             |
| Remembrance tours                                       | 4                                       | 5   | 3                                   | 20                                 | 2                           | 34                                | -                             | 34                              |
| NMA operating costs                                     | -                                       | -   | -                                   | -                                  | -                           | -                                 | 1,560                         | 1,560                           |
| <b>Remembrance and ceremonial</b>                       | <b>34</b>                               | <b>40</b>                                 | <b>27</b>                           | <b>158</b>                         | <b>16</b>                   | <b>275</b>                        | <b>1,589</b>                  | <b>1,864</b>                    |
| <b>Charitable activities</b>                            | <b>1,262</b>                            | <b>3,615</b>                              | <b>2,505</b>                        | <b>8,368</b>                       | <b>1,398</b>                | <b>17,148</b>                     | <b>2,978</b>                  | <b>20,126</b>                   |
| <b>Total support costs</b>                              | <b>1,540</b>                            | <b>4,316</b>                              | <b>2,991</b>                        | <b>11,145</b>                      | <b>1,669</b>                | <b>21,661</b>                     | <b>3,822</b>                  | <b>25,483</b>                   |

Support costs are allocated on the basis of FTE staff numbers. Support costs associated with the awarding of grants to individuals and organisations are included within information, advice and support above.

| 13 Support costs continued                              |   |   |                                     |                                    |                             |                                   |                               |                                 |
|---|---|---|-------------------------------------|------------------------------------|-----------------------------|-----------------------------------|-------------------------------|---------------------------------|
|   | Head Office<br>Central<br>2019<br>£'000 | Facilities<br>Management<br>2019<br>£'000 | Human<br>Resources<br>2019<br>£'000 | Finance<br>and IT<br>2019<br>£'000 | Governance<br>2019<br>£'000 | Total<br>Charity<br>2019<br>£'000 | Subsidiaries<br>2019<br>£'000 | Total<br>Group<br>2019<br>£'000 |
| Donations costs   | 102                                     | 130                                       | 115                                 | 604                                | 43                          | 994                               | 534                           | 1,528                           |
| Legacies costs  | 35                                      | 44  | 39                                  | 204                                | 15                          | 337                               | 10                            | 347                             |
| Poppy Appeal costs                                      | -                                       | 314                                       | 279                                 | 1,461                              | 104                         | 2,158                             | 209                           | 2,367                           |
| Fundraising events costs                                | 47                                      | 60  | 53                                  | 278                                | 20                          | 458                               | 27                            | 485                             |
| Fundraising lotteries costs                             | 24                                      | 30  | 27                                  | 139                                | 10                          | 230                               | -                             | 230                             |
| <b>Cost of raising funds</b>                            | <b>208</b>                              | <b>578</b>                                | <b>513</b>                          | <b>2,686</b>                       | <b>192</b>                  | <b>4,177</b>                      | <b>780</b>                    | <b>4,957</b>                    |
| Residential care homes                                  | -                                       | 1,615                                     | 1,435                               | 2,377                              | 534                         | 5,961                             | -                             | 5,961                           |
| Welfare Break Centres                                   | -                                       | 308                                       | 274                                 | 454                                | 102                         | 1,138                             | -                             | 1,138                           |
| <b>Care</b>   | <b>-</b>                                | <b>1,923</b>                              | <b>1,709</b>                        | <b>2,831</b>                       | <b>636</b>                  | <b>7,099</b>                      | <b>-</b>                      | <b>7,099</b>                    |
| <b>Personnel Recovery Centres</b>                       | <b>-</b>                                | <b>9</b>                                  | <b>8</b>                            | <b>13</b>                          | <b>3</b>                    | <b>33</b>                         | <b>-</b>                      | <b>33</b>                       |
| Information, advice and support                         | 752                                     | 953                                       | 847                                 | 4,439                              | 315                         | 7,306                             | 534                           | 7,840                           |
| Welfare cost in branches,<br>counties and districts     | 22                                      | 28  | 25                                  | 132                                | 9                           | 216                               | 1                             | 217                             |
| <b>Community welfare</b>                                | <b>774</b>                              | <b>981</b>                                | <b>872</b>                          | <b>4,571</b>                       | <b>324</b>                  | <b>7,522</b>                      | <b>535</b>                    | <b>8,057</b>                    |
| Central membership support                              | 112                                     | 143                                       | 127                                 | 665                                | 47                          | 1,094                             | -                             | 1,094                           |
| Recruitment, development,<br>training                   | 15                                      | 18  | 16                                  | 85                                 | 6                           | 140                               | -                             | 140                             |
| Support to branches with clubs                          | 7                                       | 8   | 8                                   | 39                                 | 3                           | 65                                | -                             | 65                              |
| Membership costs in branches,<br>counties and districts | -                                       | -   | -                                   | -                                  | -                           | -                                 | -                             | -                               |
| <b>Membership</b>                                       | <b>134</b>                              | <b>169</b>                                | <b>151</b>                          | <b>789</b>                         | <b>56</b>                   | <b>1,299</b>                      | <b>-</b>                      | <b>1,299</b>                    |
| <b>Comradeship</b>                                      | <b>9</b>                                | <b>11</b>                                 | <b>10</b>                           | <b>51</b>                          | <b>4</b>                    | <b>85</b>                         | <b>-</b>                      | <b>85</b>                       |
| Direct cost of communications<br>and campaigning        | 131                                     | 165                                       | 147                                 | 771                                | 55                          | 1,269                             | -                             | 1,269                           |
| <b>Communications and<br/>campaigning</b>               | <b>131</b>                              | <b>165</b>                                | <b>147</b>                          | <b>771</b>                         | <b>55</b>                   | <b>1,269</b>                      | <b>-</b>                      | <b>1,269</b>                    |
| Ceremonial and<br>commemorative events                  | 22                                      | 28  | 25                                  | 129                                | 9                           | 213                               | 54                            | 267                             |
| Remembrance tours                                       | 3                                       | 4   | 4                                   | 20                                 | 1                           | 32                                | -                             | 32                              |
| NMA operating costs                                     | -                                       | -   | -                                   | -                                  | -                           | -                                 | 1,422                         | 1,422                           |
| <b>Remembrance and ceremonial</b>                       | <b>25</b>                               | <b>32</b>                                 | <b>29</b>                           | <b>149</b>                         | <b>10</b>                   | <b>245</b>                        | <b>1,476</b>                  | <b>1,721</b>                    |
| <b>Charitable activities</b>                            | <b>1,073</b>                            | <b>3,290</b>                              | <b>2,926</b>                        | <b>9,175</b>                       | <b>1,088</b>                | <b>17,552</b>                     | <b>2,011</b>                  | <b>19,563</b>                   |
| <b>Total support costs</b>                              | <b>1,281</b>                            | <b>3,868</b>                              | <b>3,439</b>                        | <b>11,861</b>                      | <b>1,280</b>                | <b>21,729</b>                     | <b>2,791</b>                  | <b>24,520</b>                   |

Support costs are allocated on the basis of FTE staff numbers. Support costs associated with the awarding of grants to individuals and organisations are included within information, advice and support above.



#### 14 Activities of consolidated subsidiaries and organisations

The Legion has 13 wholly owned subsidiaries, nine of which are consolidated into these accounts, as described below. There are a further four subsidiaries that are dormant.

The results of the subsidiary entities are shown in the table below. All subsidiaries have 30 September year ends and are registered in the UK, with the exception of Royal British Legion Republic of Ireland (registered in the Republic of Ireland).

|  | The National Memorial Arboretum Company 2020<br>£'000 | NMA (Enterprises) 2020<br>£'000 | Poppyscotland Group 2020<br>£'000 | Royal British Legion Republic of Ireland 2020<br>£'000 | Royal British Legion Trading 2020<br>£'000 | Royal British Legion Poppy Lottery 2020<br>£'000 | Royal British Legion Developments 2020<br>£'000 | Remembrance Travel 2020<br>£'000 |
|--|---|---------------------------------|-----------------------------------|--|--|--|---|----------------------------------|
| Turnover/incoming resources              | 3,873   | 1,347                           | 7,460                             | 141  | 7,517                                      | 3,506  | -   | -                                |
| Expenditure                              | (3,782)   | (1,546)                         | (7,862)                           | (281)  | (8,766)                                    | (3,506)  | (8)   | -                                |
| <b>Net incoming/(outgoing) resources</b> | <b>91</b>   | <b>(199)</b>                    | <b>(402)</b>                      | <b>(140)</b>   | <b>(1,249)</b>                             | <b>-</b>   | <b>(8)</b>                                      | <b>-</b>                         |
| Assets                                   | 23,185  | 501                             | 15,995                            | 2,576  | 3,658                                      | -  | 17  | 49                               |
| Liabilities                              | (534)   | (593)                           | (2,511)                           | (82)   | (1,172)                                    | -  | (40)  | (42)                             |
| <b>Net assets</b>                        | <b>22,651</b>   | <b>(92)</b>                     | <b>13,484</b>                     | <b>2,494</b>   | <b>2,486</b>                               | <b>-</b>   | <b>(23)</b>                                     | <b>7</b>                         |

|  | The National Memorial Arboretum Company 2019<br>£'000 | NMA (Enterprises) 2019<br>£'000 | Poppyscotland Group 2019<br>£'000 | Royal British Legion Republic of Ireland 2019<br>£'000 | Royal British Legion Trading 2019<br>£'000 | Royal British Legion Poppy Lottery 2019<br>£'000 | Royal British Legion Developments 2019<br>£'000 | Remembrance Travel 2019<br>£'000 |
|--|---|---------------------------------|-----------------------------------|--|--|--|---|----------------------------------|
| Turnover/incoming resources              | 3,375   | 2,789                           | 8,888                             | 210  | 8,916                                      | 6,176  | 72  | 1                                |
| Expenditure                              | (4,142)   | (2,806)                         | (8,304)                           | (263)  | (8,271)                                    | (6,176)  | (80)  | (33)                             |
| <b>Net incoming/(outgoing) resources</b> | <b>(767)</b>  | <b>(17)</b>                     | <b>584</b>                        | <b>(53)</b>  | <b>645</b>                                 | <b>-</b>   | <b>(8)</b>                                      | <b>(32)</b>                      |
| Assets                                   | 23,367  | 503                             | 16,181                            | 2,673  | 4,563                                      | 3,849  | 151   | 55                               |
| Liabilities                              | (807)   | (396)                           | (2,295)                           | (60)   | (828)                                      | (3,849)  | (163)   | (48)                             |
| <b>Net assets</b>                        | <b>22,560</b>   | <b>107</b>                      | <b>13,886</b>                     | <b>2,613</b>   | <b>3,735</b>                               | <b>-</b>   | <b>(12)</b>                                     | <b>7</b>                         |

The principal activities of the subsidiaries are as follows:

*The National Memorial Arboretum Company Limited* – a charitable company operating an arboretum with memorial plots dedicated to those who suffered or lost their lives in the service of their country.

*NMA (Enterprises) Limited* – a trading company providing services to visitors to The National Memorial Arboretum Company Limited and providing services to NMA visitors. Its expenditure includes prior-year profits paid under the Gift Aid scheme to The National Memorial Arboretum Company Limited of £107,000 (2019: £664,000).

*Poppyscotland (Earl Haig Fund Scotland)* – a charitable company that supports those in need who have served in the Armed Forces and their dependants in Scotland. The charitable company has one subsidiary, Lady Haig Poppy Factory Limited, whose principal activity is the employment of disabled ex-service personnel to manufacture poppies and wreaths and to provide framing and printing services. The results above are those of the consolidated Poppyscotland Group.

*Royal British Legion Republic of Ireland* – a charitable company that supports those in need who have served in the Armed Forces and their dependants in the Republic of Ireland.

*Royal British Legion Trading Limited* – a trading company that markets a range of goods and services to members and supporters of the RBL, and generates income from third parties through the use of corporate partnerships. Its expenditure includes prior-year profits paid under the Gift Aid scheme to the RBL of £3.735 million (2019: £3.09 million).

*Royal British Legion Poppy Lottery Limited* – a charitable company that undertook the marketing and provision of a weekly lottery to members and supporters of the RBL until 31 March 2020. Its expenditure includes a grant awarded to the RBL of £2.3 million (2019: £2.4 million). Other lottery activities are carried out by the parent charity. From 1 April 2020, the activities of this subsidiary were also transferred to the parent charity.

*Royal British Legion Developments Limited* – a trading company that develops or improves properties, principally those owned by the RBL. There were no profits to pay to the RBL in 2020 or 2019.

*Remembrance Travel Limited* – an inactive subsidiary from 1 October 2018. Previously a travel company delivering pilgrimages and associated travel activity. Its expenditure includes prior-year profits paid under the Gift Aid scheme to the RBL of £nil (2019: £30,000).

*The Royal British Legion Family and Support Lottery Limited, Poppy Travel Limited, RBL Services Lottery Ltd and RBL Financial Grants Raffle Ltd* – dormant subsidiaries.



**15 Information regarding employees and Trustees**

|  | <b>Total<br/>2020</b> | Total<br>2019 |
|--|-----------------------|---------------|
| <b>Average number of employees (full-time equivalent) during the year</b>              | <b>No.</b>            | No.           |
| <b>Raising funds</b>   | <b>213</b>            | 204           |
| <b>Charitable activities</b>   |                       |               |
| Care services and Personnel Recovery Centres   | 657                   | 683           |
| Community welfare services   | 313                   | 347           |
| Membership services  | 59                    | 60            |
| Comradeship  | 4                     | 4             |
| Communication and campaigning  | 52                    | 59            |
| Remembrance and ceremonial   | 12                    | 11            |
| <b>Total charitable activities</b>   | <b>1,097</b>          | 1,164         |
| <b>Support and governance</b>  | <b>166</b>            | 143           |
| <b>Total charity full-time equivalent staff</b>  | <b>1,476</b>          | 1,511         |
| <b>Subsidiaries average number of employees (full-time equivalent) during the year</b> |                       |               |
| Poppyscotland Group  | 100                   | 101           |
| National Memorial Arboretum Group  | 87                    | 88            |
| Royal British Legion Trading   | 12                    | 8             |
| <b>Total group full-time equivalent staff</b>  | <b>1,675</b>          | 1,708         |

The group incurred costs of £3.76 million (2019: £5.0 million) on agency staff, which are not included in the staff costs below.

|                                  | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
|----------------------------------|---------------------------------|------------------------|-----------------------------------|--------------------------|
| <b>Staff costs comprise:</b>     |                                 |                        |                                   |                          |
| Wages and salaries               | 48,149                          | 47,924                 | 43,777                            | 43,632                   |
| National Insurance contributions | 4,605                           | 4,568                  | 4,245                             | 4,217                    |
| Pension costs                    | 5,096                           | 4,559                  | 4,591                             | 4,167                    |
| <b>Total staff costs</b>         | <b>57,850</b>                   | 57,051                 | <b>52,613</b>                     | 52,016                   |

The number of staff paid more than £60,000 during the year (salary plus taxable benefits excluding pension contributions) was:

|                     | <b>Group<br/>2020<br/>No.</b> | Group<br>2019<br>No. | <b>Charity<br/>2020<br/>No.</b> | Charity<br>2019<br>No. |
|---------------------|-------------------------------|----------------------|---------------------------------|------------------------|
| £60,000 - £69,999   | 20                            | 15                   | 19                              | 14                     |
| £70,000 - £79,999   | 13                            | 14                   | 13                              | 14                     |
| £80,000 - £89,999   | 7                             | 7                    | 7                               | 5                      |
| £90,000 - £99,999   | 2                             | 1                    | 1                               | 1                      |
| £100,000 - £109,999 | 2                             | 1                    | 2                               | 1                      |
| £110,000 - £119,999 | 1                             | 1                    | 1                               | 1                      |
| £120,000 - £129,999 | 2                             | 3                    | 2                               | 3                      |
| £130,000 - £139,999 | 1                             | -                    | -                               | -                      |
| £140,000 - £149,999 | -                             | 1                    | -                               | 1                      |
| £150,000 - £159,999 | 1                             | -                    | 1                               | -                      |

The key management personnel of the group comprise the members of the parent charity's Executive Board. The total remuneration (including pension contributions and employer's National Insurance contributions) paid in respect of key management personnel for the year was £981,000 (2019: £1.042 million).

During the year, redundancy payments of £452,000 (2019: £47,000) and termination payments of £58,000 (2019: £32,000) were made across the group, which are included in the staff costs figures above.

The RBL operates a transparent Pay Policy, which is communicated to all staff. Salary levels are regularly benchmarked against other comparable organisations across the private, public and third sectors. The compensation of RBL Directors is subject to annual review by a Governance Committee comprising five Trustees, including the Chairman and Vice Chairman.

During the year, the total expenses paid in respect of 13 (2019: 13) Board of Trustee members amounted to £41,000 (2019: £60,000). This principally represents travelling expenses for attending meetings and official engagements, and includes the costs of Trustees officiating at Remembrance tours. The RBL has purchased insurance to protect the charity from loss arising from neglect or default of its Trustees, and to indemnify the Trustees against the consequences of neglect or default on their part. No Trustee or person related or connected by business to them has received any remuneration from the RBL, nor have they entered into any other transaction or contract with the RBL during the year.

**16 Staff pension funds**

The Royal British Legion group pension arrangements comprise those of the RBL and its subsidiaries. The pension schemes are as follows:-

1. Group Flexible Retirement Plan (GFRP)
2. The Earl Haig Fund Scotland – Stakeholder Scheme (EH Scheme)
3. The Lady Haig Poppy Factory – Stakeholder Scheme (LHPF Scheme)
4. The Royal British Legion Staff Pension Fund (DB Fund)
5. Stanplan F (Earl Haig Fund, 'EH Fund')

GFRP – This is the scheme available to all RBL group employees (excluding Poppyscotland) and is provided by Standard Life. The GFRP scheme was introduced on 1 April 2010 and is a defined contribution scheme. The liability of the employer is limited to the contributions it makes, which amounted to £4.834 million (2019: £4.249 million), of which £395,000 (2019: £384,000) remained payable at the year end.

EH Scheme: This is a scheme available to employees of the Poppyscotland Group and is provided by Standard Life. The EH Scheme was introduced in July 2002 and is a defined contribution scheme. The liability of the employer is limited to the contributions it makes, which amounted to £187,000 (2019: £159,000), of which £27,000 (2019: £28,000) remained payable at the year end.

LHPF Scheme: This is the scheme available to employees of the Lady Haig Poppy Factory and is provided by Standard Life. The LHPF Scheme is a defined contribution scheme, and the liability of the employer is limited to the contributions it makes, which amounted to £88,000 (2019: £38,000), of which £nil (2019: £nil) remained payable at the year end.

DB Fund: This is a multi-employer defined benefit scheme. The other employers participating in the scheme are Royal British Legion Industries and the Royal British Legion Poppy Factory. The DB Fund was closed to new members on 31 October 2002 and on 1 April 2010 was closed to accrual from the remaining members. The most recent formal actuarial valuation was carried out as at 1 April 2017, with the 1 April 2020 valuation in progress. The results of the last valuation have been updated to 30 September 2020 by a qualified actuary. In accordance with the current Schedule of Contributions, the RBL is not required to pay any ongoing deficit contributions into the Fund. Contributions are made in relation to administrative costs.

EH Fund: This is a defined benefit pension scheme available only to employees of Poppyscotland. The EH Fund was closed to new members on 31 October 2002 and on 31 March 2018 was closed to accrual from the remaining members. The last full actuarial valuation of the EH Fund was carried out as at 31 March 2016, with the 31 March 2019 valuation in progress. As a result of the 2016 triennial valuation, the employer agreed to pay a one-off deficit contribution of £100,000, followed by annual deficit contributions of £75,000 per year from 1 July 2017 for eight years, increasing by 3% annually. The Poppyscotland pension scheme is included in restricted funds.

The RBL accounts for defined benefit schemes in accordance with section 28 of FRS 102 (Employee Benefits) and identifies each entity's share of the pension scheme assets and liabilities. A summary of the movement in pension assets and liabilities for the group's defined benefit pension funds is shown overleaf.



| 16a Amounts recognised in the Statement of Financial Activities |                                   |                                   |                                 |                          |                          |                        |
|---|-----------------------------------|-----------------------------------|---------------------------------|--------------------------|--------------------------|------------------------|
|   | <b>EH Fund<br/>2020<br/>£'000</b> | <b>DB Fund<br/>2020<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> | EH Fund<br>2019<br>£'000 | DB Fund<br>2019<br>£'000 | Total<br>2019<br>£'000 |
| Current service cost  | -                                 | -                                 | -                               | (21)                     | (549)                    | (570)                  |
| Administration expenses   | (104)                             | (312)                             | (416)                           | (82)                     | (660)                    | (742)                  |
| Net interest  | (30)                              | (83)                              | (113)                           | (48)                     | (71)                     | (119)                  |
| <b>Amount charged to net incoming resources</b>                 | <b>(134)</b>                      | <b>(395)</b>                      | <b>(529)</b>                    | <b>(151)</b>             | <b>(1,280)</b>           | <b>(1,431)</b>         |
| Actuarial gains/(losses)  | 197                               | (3,514)                           | (3,317)                         | (541)                    | (6,674)                  | (7,215)                |
| Return on assets excluding amount included in net interest      | (135)                             | (774)                             | (909)                           | 500                      | 5,228                    | 5,728                  |
| <b>Amount recognised in other comprehensive income</b>          | <b>62</b>                         | <b>(4,288)</b>                    | <b>(4,226)</b>                  | <b>(41)</b>              | <b>(1,446)</b>           | <b>(1,487)</b>         |
| <b>Total decrease in net funds</b>                              | <b>(72)</b>                       | <b>(4,683)</b>                    | <b>(4,755)</b>                  | <b>(192)</b>             | <b>(2,726)</b>           | <b>(2,918)</b>         |

| 16b Reconciliation to the Balance Sheet                  |                                   |                                   |                                 |                          |                          |                        |
|--|-----------------------------------|-----------------------------------|---------------------------------|--------------------------|--------------------------|------------------------|
|  | <b>EH Fund<br/>2020<br/>£'000</b> | <b>DB Fund<br/>2020<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> | EH Fund<br>2019<br>£'000 | DB Fund<br>2019<br>£'000 | Total<br>2019<br>£'000 |
| Market value of assets                                   | 5,266                             | 68,031                            | 73,297                          | 5,603                    | 71,050                   | 76,653                 |
| Present value of defined benefit obligation              | (7,019)                           | (77,310)                          | (84,329)                        | (7,414)                  | (75,872)                 | (83,286)               |
| <b>Pension liability recognised in the Balance Sheet</b> | <b>(1,753)</b>                    | <b>(9,279)</b>                    | <b>(11,032)</b>                 | <b>(1,811)</b>           | <b>(4,822)</b>           | <b>(6,633)</b>         |

| 16c Analysis of changes in the value of the fund liabilities over the year |                                   |                                   |                                 |                          |                          |                        |
|--|-----------------------------------|-----------------------------------|---------------------------------|--------------------------|--------------------------|------------------------|
|  | <b>EH Fund<br/>2020<br/>£'000</b> | <b>DB Fund<br/>2020<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> | EH Fund<br>2019<br>£'000 | DB Fund<br>2019<br>£'000 | Total<br>2019<br>£'000 |
| Value of liabilities at start of year                                      | (7,414)                           | (75,872)                          | (83,286)                        | (7,002)                  | (70,472)                 | (77,474)               |
| Current service costs  | -                                 | -                                 | -                               | (21)                     | (549)                    | (570)                  |
| Interest cost  | (123)                             | (1,262)                           | (1,385)                         | (191)                    | (1,921)                  | (2,112)                |
| Member contributions   | -                                 | -                                 | -                               | -                        | -                        | -                      |
| Benefits paid  | 321                               | 3,338                             | 3,659                           | 341                      | 3,744                    | 4,085                  |
| Actuarial gains/(losses)   | 197                               | (3,514)                           | (3,317)                         | (541)                    | (6,674)                  | (7,215)                |
| <b>Value of liabilities at end of year</b>                                 | <b>(7,019)</b>                    | <b>(77,310)</b>                   | <b>(84,329)</b>                 | <b>(7,414)</b>           | <b>(75,872)</b>          | <b>(83,286)</b>        |

| 16d Analysis of changes in the value of the fund assets over the year |                                   |                                   |                                 |                          |                          |                        |
|---|-----------------------------------|-----------------------------------|---------------------------------|--------------------------|--------------------------|------------------------|
|   | <b>EH Fund<br/>2020<br/>£'000</b> | <b>DB Fund<br/>2020<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> | EH Fund<br>2019<br>£'000 | DB Fund<br>2019<br>£'000 | Total<br>2019<br>£'000 |
| Market value of assets at start of year                               | 5,603                             | 71,050                            | 76,653                          | 5,255                    | 68,151                   | 73,406                 |
| Return on assets excluding amount included in net interest            | (135)                             | (774)                             | (909)                           | 500                      | 5,228                    | 5,728                  |
| Administration expenses   | (104)                             | (312)                             | (416)                           | (82)                     | (660)                    | (742)                  |
| Employer contributions  | 130                               | 226                               | 356                             | 128                      | 225                      | 353                    |
| Interest income   | 93                                | 1,179                             | 1,272                           | 143                      | 1,850                    | 1,993                  |
| Member contributions  | -                                 | -                                 | -                               | -                        | -                        | -                      |
| Benefits paid   | (321)                             | (3,338)                           | (3,659)                         | (341)                    | (3,744)                  | (4,085)                |
| <b>Market value of assets at end of year</b>                          | <b>5,266</b>                      | <b>68,031</b>                     | <b>73,297</b>                   | <b>5,603</b>             | <b>71,050</b>            | <b>76,653</b>          |

| 16e Asset classes        |                       |                           |                       |                           |
|--------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|                          | DB Fund 2020          |                           | DB Fund 2019          |                           |
|                          | Market Value<br>£'000 | % of total<br>fund assets | Market Value<br>£'000 | % of total<br>fund assets |
| Equities                 | 20,041                | 29%                       | 19,525                | 28%                       |
| Bonds                    | 10,266                | 15%                       | 10,235                | 14%                       |
| LDI                      | 11,229                | 17%                       | 13,545                | 19%                       |
| Cash                     | 709                   | 1%                        | 754                   | 1%                        |
| Annuities                | 2,285                 | 3%                        | 1,901                 | 3%                        |
| Other assets             | 23,501                | 35%                       | 25,090                | 35%                       |
| <b>Total fund assets</b> | <b>68,031</b>         |                           | <b>71,050</b>         |                           |

The actual return on assets over the year was

|                          | EH Fund 2020          |                           | EH Fund 2019          |                           |
|--------------------------|-----------------------|---------------------------|-----------------------|---------------------------|
|                          | Market Value<br>£'000 | % of total<br>fund assets | Market Value<br>£'000 | % of total<br>fund assets |
| Equities                 | 2,355                 | 45%                       | 2,441                 | 44%                       |
| Cash                     | 72                    | 1%                        | 15                    | 0%                        |
| Annuities                | 418                   | 8%                        | 500                   | 9%                        |
| Other assets             | 2,421                 | 46%                       | 2,647                 | 47%                       |
| <b>Total fund assets</b> | <b>5,266</b>          |                           | <b>5,603</b>          |                           |

The actual return on assets over the year was

The RBL's assets have been taken as the proportion of the total fund assets that the RBL's liability valuation bears to the total fund's liability valuation.

The assets are invested in a diversified portfolio.

During 2021, contributions of £225,000 and £132,000 are expected to be paid into the DB Fund and EH Fund respectively.

## 16f Actuarial assumptions

| Financial assumptions (both funds)        | 2020       |            | 2019       |            |
|---|------------|------------|------------|------------|
|   | % p.a.     |            | % p.a.     |            |
| Discount rate                             | 1.4        |            | 1.7        |            |
| Retail price index inflation              | 2.9        |            | 3.2        |            |
| Consumer price index inflation            | 2.0        |            | 2.2        |            |
| Salary increases                          | 3.0        |            | 3.2        |            |
| Rate of increases of pensions in payment: |            |            |            |            |
| Capped at 5% or RPI if less               | 2.9        |            | 3.1        |            |
| Capped at 5% or CPI if less               | 3.2        |            | 3.2        |            |
| Capped at 3% or CPI if less               | 1.9        |            | 2.0        |            |
| Capped at 2.5% or CPI if less             | 1.9        |            | 1.8        |            |
| Rate of increase for deferred pensioners  | 2.0        |            | 2.2        |            |
| <b>Mortality assumptions (both funds)</b> |            |            |            |            |
|   | 2020       |            | 2019       |            |
|   | Males      | Females    | Males      | Females    |
| Life expectancies at age 60               |            |            |            |            |
| Current pensioner now aged 60             | 25.8 years | 28.5 years | 26.4 years | 28.9 years |
| Future pensioner now aged 40              | 27.4 years | 30.0 years | 27.9 years | 30.4 years |

## 17 Group intangible fixed assets

|  | Software, Databases and Licenses £'000 | Assets under construction £'000 | Total Group £'000 |
|--|--|---------------------------------|-------------------|
| <b>At cost or valuation</b>                |  |                                 |                   |
| At 1 October 2019                          | 3,795                                  | 2,136                           | 5,931             |
| Additions                                  | -                                      | 1,393                           | 1,393             |
| Transfers                                  | 1,634                                  | (2,565)                         | (931)             |
| Disposals                                  | (586)                                  | (171)                           | (757)             |
| At 30 September 2020                       | 4,843                                  | 793                             | 5,636             |
| <b>Accumulated amortisation</b>            |  |                                 |                   |
| At 1 October 2019                          | (1,739)                                | -                               | (1,739)           |
| Charge for the year                        | (974)                                  | -                               | (974)             |
| Eliminated on disposals                    | 23                                     | -                               | 23                |
| At 30 September 2020                       | (2,690)                                | -                               | (2,690)           |
| <b>Net book value at 30 September 2020</b> | <b>2,153</b>                           | <b>793</b>                      | <b>2,946</b>      |
| Net book value at 30 September 2019        | 2,056                                  | 2,136                           | 4,192             |

## 17a Charity intangible fixed assets

|  | Software, Databases and Licenses £'000 | Assets under construction £'000 | Total Charity £'000 |
|--|--|---------------------------------|---------------------|
| <b>At cost or valuation</b>                |  |                                 |                     |
| At 1 October 2019                          | 3,795                                  | 2,136                           | 5,931               |
| Additions                                  | -                                      | 1,342                           | 1,342               |
| Transfers                                  | 1,634                                  | (2,565)                         | (931)               |
| Disposals                                  | (586)                                  | (171)                           | (757)               |
| At 30 September 2020                       | 4,843                                  | 742                             | 5,585               |
| <b>Accumulated amortisation</b>            |  |                                 |                     |
| At 1 October 2019                          | (1,739)                                | -                               | (1,739)             |
| Charge for the year                        | (974)                                  | -                               | (974)               |
| Eliminated on disposals                    | 23                                     | -                               | 23                  |
| At 30 September 2020                       | (2,690)                                | -                               | (2,690)             |
| <b>Net book value at 30 September 2020</b> | <b>2,153</b>                           | <b>742</b>                      | <b>2,895</b>        |
| Net book value at 30 September 2019        | 2,056                                  | 2,136                           | 4,192               |

## 18 Group tangible fixed assets including functional property

|  | Freehold homes £'000 | Other freehold £'000 | Leasehold property and leasehold improvements £'000 | Plant, machinery and equipment £'000 | Assets under construction £'000 | Total Group £'000 |
|--|----------------------|----------------------|---|--------------------------------------|---------------------------------|-------------------|
| <b>At cost or valuation</b>                |                      |                      |   |                                      |                                 |                   |
| At 1 October 2019                          | 60,652               | 30,124               | 30,969  | 5,988                                | 4,199                           | 131,932           |
| Additions                                  | -                    | -                    | 105   | 478                                  | 2,505                           | 3,088             |
| Transfers                                  | (18,776)             | 497                  | 113   | 1,236                                | (526)                           | (17,456)          |
| Disposals                                  | -                    | (129)                | (503)   | (6)                                  | (1,635)                         | (2,273)           |
| At 30 September 2020                       | 41,876               | 30,492               | 30,684  | 7,696                                | 4,543                           | 115,291           |
| <b>Accumulated depreciation</b>            |                      |                      |   |                                      |                                 |                   |
| At 1 October 2019                          | (16,755)             | (6,148)              | (6,590)   | (4,251)                              | -                               | (33,744)          |
| Charge for the year                        | (897)                | (692)                | (1,210)   | (772)                                | -                               | (3,571)           |
| Impairment                                 | (8,551)              | (136)                | -   | -                                    | -                               | (8,687)           |
| Transfers                                  | 13,601               | (53)                 | -   | -                                    | -                               | 13,548            |
| Disposals                                  | -                    | 11                   | 239   | 1                                    | -                               | 251               |
| At 30 September 2020                       | (12,602)             | (7,018)              | (7,561)   | (5,022)                              | -                               | (32,203)          |
| <b>Net book value at 30 September 2020</b> | <b>29,274</b>        | <b>23,474</b>        | <b>23,123</b>                                       | <b>2,674</b>                         | <b>4,543</b>                    | <b>83,088</b>     |
| Net book value at 30 September 2019        | 43,897               | 23,976               | 24,379  | 1,737                                | 4,199                           | 98,188            |



## 18a Charity tangible fixed assets including functional property

|  | Freehold homes<br>£'000 | Other freehold<br>£'000 | Leasehold property and leasehold improvements<br>£'000 | Plant, machinery and equipment<br>£'000 | Assets under construction<br>£'000 | Total Charity<br>£'000 |
|--|-------------------------|-------------------------|--|---|------------------------------------|------------------------|
| <b>At cost or valuation</b>                |                         |                         |  |   |                                    |                        |
| At 1 October 2019                          | 60,652                  | 29,258                  | 6,875  | 5,063                                   | 4,199                              | <b>106,047</b>         |
| Additions                                  | -                       | -                       | -  | 478                                     | 1,420                              | <b>1,898</b>           |
| Transfers                                  | (18,776)                | 497                     | 113  | 1,236                                   | (526)                              | <b>(17,456)</b>        |
| Disposals                                  | -                       | (129)                   | (503)  | -                                       | (1,635)                            | <b>(2,267)</b>         |
| At 30 September 2020                       | <b>41,876</b>           | <b>29,626</b>           | <b>6,485</b>   | <b>6,777</b>                            | <b>3,458</b>                       | <b>88,222</b>          |
| <b>Accumulated depreciation</b>            |                         |                         |  |   |                                    |                        |
| At 1 October 2019                          | (16,755)                | (5,813)                 | (3,406)  | (4,113)                                 | -                                  | <b>(30,087)</b>        |
| Charge for the year                        | (897)                   | (676)                   | (666)  | (649)                                   | -                                  | <b>(2,888)</b>         |
| Impairment                                 | (8,551)                 | -                       | -  | -                                       | -                                  | <b>(8,551)</b>         |
| Transfers                                  | 13,601                  | (53)                    | -  | -                                       | -                                  | <b>13,548</b>          |
| Disposals                                  | -                       | 11                      | 239  | -                                       | -                                  | <b>250</b>             |
| At 30 September 2020                       | <b>(12,602)</b>         | <b>(6,531)</b>          | <b>(3,833)</b>   | <b>(4,762)</b>                          | -                                  | <b>(27,728)</b>        |
| <b>Net book value at 30 September 2020</b> | <b>29,274</b>           | <b>23,095</b>           | <b>2,652</b>   | <b>2,015</b>                            | <b>3,458</b>                       | <b>60,494</b>          |
| Net book value at 30 September 2019        | 43,897                  | 23,445                  | 3,469  | 950                                     | 4,199                              | 75,960                 |

Net transfers out of tangible fixed assets of £3,908,000 comprises £5,175,000 of properties transferred to Fixed Assets Held for Sale (see note 22), less £931,000 of assets under construction reclassified from intangibles (see note 17a) and £336,000 of branch occupied properties reclassified from investment properties (see note 20).

## 19 Investments

|  | Group<br>2020<br>£'000          | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000          | Charity<br>2019<br>£'000 |
|--|---------------------------------|------------------------|-----------------------------------|--------------------------|
| Market value at 1 October  | <b>165,895</b>                  | 156,245                | <b>152,574</b>                    | 144,232                  |
| Net additions  | <b>946</b>                      | 2,100                  | <b>981</b>                        | 1,259                    |
| Investment (loss)/gain on revaluation  | <b>(2,194)</b>                  | 7,550                  | <b>(2,236)</b>                    | 7,083                    |
| <b>Market value at 30 September</b>  | <b>164,647</b>                  | 165,895                | <b>151,319</b>                    | 152,574                  |
| The asset distribution of the investment portfolio at 30 September is presented below. |                                 |                        |                                   |                          |
|  | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
| Equities:  |                                 |                        |                                   |                          |
| UK   | <b>16,793</b>                   | 18,711                 | <b>15,121</b>                     | 16,645                   |
| Overseas   | <b>71,570</b>                   | 40,611                 | <b>67,168</b>                     | 36,554                   |
| <b>Total equities</b>  | <b>88,363</b>                   | 59,322                 | <b>82,289</b>                     | 53,199                   |
| Bonds:   |                                 |                        |                                   |                          |
| UK   | <b>15,862</b>                   | 38,451                 | <b>14,507</b>                     | 33,122                   |
| Overseas   | <b>6,887</b>                    | 3,729                  | <b>3,086</b>                      | 3,698                    |
| <b>Total bonds</b>   | <b>22,749</b>                   | 42,180                 | <b>17,593</b>                     | 36,820                   |
| Cash:  |                                 |                        |                                   |                          |
| UK   | <b>6,565</b>                    | 12,995                 | <b>5,952</b>                      | 12,995                   |
| Overseas   | <b>127</b>                      | 582                    | -                                 | -                        |
| <b>Total cash</b>  | <b>6,692</b>                    | 13,577                 | <b>5,952</b>                      | 12,995                   |
| Hedge funds – UK   | <b>155</b>                      | 5,509                  | -                                 | 5,509                    |
| Property   | <b>6,344</b>                    | -                      | <b>6,166</b>                      | -                        |
| Commodities  | <b>7,647</b>                    | 1,932                  | <b>7,068</b>                      | 1,932                    |
| Portfolio funds:   |                                 |                        |                                   |                          |
| UK   | <b>16,619</b>                   | 23,691                 | <b>16,619</b>                     | 23,691                   |
| Overseas   | -                               | 96                     | -                                 | -                        |
| <b>Total portfolio funds</b>   | <b>16,619</b>                   | 23,787                 | <b>16,619</b>                     | 23,691                   |
| Other:   |                                 |                        |                                   |                          |
| UK   | <b>8,527</b>                    | 10,070                 | <b>8,489</b>                      | 8,912                    |
| Overseas   | <b>7,551</b>                    | 9,518                  | <b>7,143</b>                      | 9,516                    |
| <b>Total other</b>   | <b>16,078</b>                   | 19,588                 | <b>15,632</b>                     | 18,428                   |
| <b>Total investments</b>   | <b>164,647</b>                  | 165,895                | <b>151,319</b>                    | 152,574                  |

£133.183 million of the investments are managed by Cazenove Capital Management Limited (2019: £136.143 million). The strategy is to maintain the real value of assets and target an investment return of CPI plus 3%. The investments are held at market value, normally using prices obtained from an independent pricing source. Funds and unit trusts are generally priced on a net asset value basis. Structured products are valued on a market to market basis. Unquoted investments are valued in accordance with the International Private Equity and Venture Capital valuation guidelines or held at cost. Investments where a price is not readily available, that are held in an execution-only portfolio, are valued at the last publicly available price.

Other investments includes investments held by branches, and balances relating to the Arthur Atcock Memorial Trust and Devon Community Trust.

**20 Group Investment properties**

|  | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 |
|--|---------------------------------|------------------------|
| Market value at 1 October                        | 65,019                          | 66,682                 |
| Additions  | 582                             | -                      |
| Transfers to tangible fixed assets               | (336)                           | -                      |
| Disposals at market value                        | (1,495)                         | (7,548)                |
| Net gain on revaluation of investment properties | 2,936                           | 5,885                  |
| <b>Market value at 30 September</b>              | <b>66,706</b>                   | <b>65,019</b>          |

**20a Charity investment properties**

|  | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
|--|-----------------------------------|--------------------------|
| Market value at 1 October                        | 65,019                            | 66,682                   |
| Transfers to tangible fixed assets               | (336)                             | -                        |
| Disposals at market value                        | (1,495)                           | (7,548)                  |
| Net gain on revaluation of investment properties | 2,936                             | 5,885                    |
| <b>Market value at 30 September</b>              | <b>66,124</b>                     | <b>65,019</b>            |

Investment properties primarily comprise 302 properties (2019: 310 properties), which are owned by the RBL but are let to independent commercial operations, primarily affiliated social clubs. The RBL's valuation methodology is to revalue its investment properties on a five-year rolling basis, with 20% being revalued each year. For the year ended 30 September 2020, 62 properties were revalued (2019: 82 properties) and a revaluation gain of £3.00 million (2019: £2.35 million) was recognised in the accounts. This revaluation was completed by qualified surveyors in our internal Estates team, on the basis of open market value for existing use. The remaining 80% of investment properties are reviewed internally by a qualified surveyor for any material changes on an annual basis, and as a result of this exercise, further revaluation losses totalling £13,800 (2019: losses of £8,000) have been recognised.

In 2017, following receipt of legal advice, a revaluation loss of £3.240 million was recognised on the basis of uncertainty about whether the RBL had a beneficial interest in a number of properties. During 2020, none of these properties (2019: 9) have transferred to the full corporate trusteeship of the RBL, and as a result, a revaluation gain of £nil (2019: £475,000) has been recognised in respect of these properties.

The remainder of the net gain on revaluation relates to gains on disposal or transfer to fixed assets of £599,000 (2019: £3.067 million).

The Charity's valuers use valuation techniques to determine the fair value of investment property. This involves developing estimates and assumptions consistent with how market participants would price the property. The unprecedented set of circumstances caused by Covid-19 led to an absence of relevant/sufficient market evidence on which to base judgements, which increased the estimated uncertainty over the valuation at the balance sheet date. A material valuation uncertainty was therefore disclosed in the investment property valuation report. However, this does not mean that the valuation cannot be relied upon. Rather the note in the valuation report was included to ensure transparency and to provide insight as to the market context under which the valuation opinion was prepared.

**21 Programme-related investments**

|   | <b>Group and<br/>Charity<br/>2020<br/>£'000</b> | Group and<br>Charity<br>2019<br>£'000 |
|---|---|---------------------------------------|
| <b>Loans to external organisations</b>            |   |                                       |
| Sir Oswald Stoll Foundation                       | 523   | 668                                   |
| <b>Other schemes unrestricted</b>                 |   |                                       |
| Loans for property repairs (PRL)                  | 3,987   | 4,337                                 |
| <b>Programme-related investments unrestricted</b> | <b>4,510</b>                                    | <b>5,005</b>                          |
| <b>Other schemes restricted</b>                   |   |                                       |
| Be The Boss scheme (BTB)                          | -   | 3                                     |
| <b>Total programme-related investments</b>        | <b>4,510</b>                                    | <b>5,008</b>                          |

**21a Programme-related investments movement during the year**

|   | <b>Sir Oswald<br/>Stoll<br/>Foundation<br/>£'000</b> | <b>PRL<br/>loans<br/>£'000</b> | <b>BTB<br/>loans<br/>£'000</b> | <b>Total<br/>Group and<br/>Charity<br/>£'000</b> |
|---|--|--------------------------------|--------------------------------|--|
| Opening balance at 1 October 2019           | 668  | 4,337                          | 3                              | 5,008  |
| Interest                                    | 23   | -                              | -                              | 23   |
| Repayments and security deposits            | (172)  | (355)                          | (3)                            | (530)  |
| Write-offs and bad debt provision movements | 4  | 5                              | -                              | 9  |
| <b>Closing balance at 30 September 2020</b> | <b>523</b>   | <b>3,987</b>                   | <b>-</b>                       | <b>4,510</b>                                     |

The RBL has provided a number of loans in furtherance of its charitable objectives as follows:

Sir Oswald Stoll Foundation – a secured loan repayable over 10 years issued towards the development costs of a veterans' housing centre. An interest rate of 4% is applied to the principal issued on the anniversary of the loan agreement (17 September 2013).

Property Repair Loans – interest-free secured loans to beneficiaries living in their own homes to provide housing improvements. The majority are lifetime loans as they are repayable on the sale of property. The minimum amount for a loan is £2,000 and the maximum allowed is £25,000. The RBL ceased issuing new loans in 2013.

Be the Boss loans – a scheme (now closed) originally supported by the Ministry of Defence, which provides financial support through loans and grants to recent UK service leavers who are interested in setting up or expanding their own business. The loans are repayable within four years and an annual rate of interest of 9.4% is charged.

**22 Debtors**

|  | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
|--|---------------------------------|------------------------|-----------------------------------|--------------------------|
| Fixed assets held for sale             | 5,175                           | -                      | 5,175                             | -                        |
| Trade debtors                          | 4,536                           | 7,633                  | 4,097                             | 7,319                    |
| Amounts due from consolidated entities | -                               | -                      | 809                               | 2,914                    |
| Other debtors                          | 3,185                           | 3,110                  | 3,137                             | 2,957                    |
| Prepayments and accrued income         | 3,846                           | 5,986                  | 3,143                             | 4,851                    |
| <b>Total debtors</b>                   | <b>16,742</b>                   | <b>16,729</b>          | <b>16,361</b>                     | <b>18,041</b>            |

**23 Cash at hand and in bank and short-term deposits**

|                              | <b>Group<br/>2020<br/>£'000</b> | Group<br>2019<br>£'000 | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
|------------------------------|---------------------------------|------------------------|-----------------------------------|--------------------------|
| <b>Cash held centrally</b>   |                                 |                        |                                   |                          |
| Short-term deposits          | 13,114                          | 10,075                 | 12,609                            | 9,592                    |
| Cash at hand and in bank     | 26,900                          | 36,946                 | 21,919                            | 26,212                   |
|                              | <b>40,014</b>                   | <b>47,021</b>          | <b>34,528</b>                     | <b>35,804</b>            |
| <b>Cash held by branches</b> | <b>11,634</b>                   | <b>12,210</b>          | <b>11,634</b>                     | <b>12,210</b>            |
| <b>Total cash</b>            | <b>51,648</b>                   | <b>59,231</b>          | <b>46,162</b>                     | <b>48,014</b>            |



## 24 Creditors

|  | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| <b>Creditors falling due within one year</b>       |                        |                        |                          |                          |
| Trade creditors                                    | 2,209                  | 5,576                  | 1,730                    | 4,792                    |
| Amounts due to consolidated entities               | -                      | -                      | 288                      | 204                      |
| Grant commitments (see note 25)                    | 11,162                 | 11,288                 | 11,162                   | 11,288                   |
| Accruals   | 7,349                  | 10,521                 | 6,371                    | 9,011                    |
| Deferred Income (see note 24a)                     | 3,164                  | 3,050                  | 3,058                    | 2,256                    |
| Other creditors                                    | 2,305                  | 2,084                  | 2,095                    | 1,831                    |
| Hire Purchase commitments                          | 20                     | -                      | -                        | -                        |
| <b>Total creditors falling due within one year</b> | <b>26,209</b>          | <b>32,519</b>          | <b>24,704</b>            | <b>29,382</b>            |

|   | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|---|------------------------|------------------------|--------------------------|--------------------------|
| <b>Creditors falling due after more than one year</b>       |                        |                        |                          |                          |
| External grant commitments (see note 25):                   |                        |                        |                          |                          |
| Due within two to five years                                | 2,845                  | 5,201                  | 2,845                    | 5,201                    |
| Hire Purchase commitments:                                  |                        |                        |                          |                          |
| Due within two to five years                                | 57                     | -                      | -                        | -                        |
| <b>Total creditors falling due after more than one year</b> | <b>2,902</b>           | <b>5,201</b>           | <b>2,845</b>             | <b>5,201</b>             |

## 24a Deferred income movement during the year

|                                  | Group<br>2020<br>£'000 | Group<br>2019<br>£'000 | Charity<br>2020<br>£'000 | Charity<br>2019<br>£'000 |
|----------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Opening balance at 1 October     | 3,050                  | 3,001                  | 2,256                    | 2,304                    |
| Deferred income released in year | (3,050)                | (3,001)                | (2,256)                  | (2,304)                  |
| Income deferred in the year      | 3,164                  | 3,050                  | 3,058                    | 2,256                    |
| Closing balance at 30 September  | 3,164                  | 3,050                  | 3,058                    | 2,256                    |

Deferred income primarily represents membership income received before the year end, in advance of renewals starting on or after 1 October 2020, as well as Poppy Lottery and Raffle entries received in advance of the draw date, and care home fees paid in advance of the dates of the care provision it relates to.

## 25 Group and Charity grant commitments

|                                 | Personnel<br>Recovery<br>Centres<br>2020<br>£'000 | Centre for<br>Blast Injury<br>Studies<br>2020<br>£'000 | Other<br>2020<br>£'000 | Group and<br>Charity<br>Total<br>2020<br>£'000 |
|---------------------------------|---|--|------------------------|--|
| Opening balance at 1 October    | 7,250   | 1,867  | 7,372                  | 16,489   |
| Grants awarded                  | -   | -  | 3,037                  | 3,037  |
| Unwinding of discount           | 126   | 133  | 29                     | 288  |
| Payments during the year        | (794)   | (1,000)  | (4,013)                | (5,807)  |
| Closing balance at 30 September | 6,582   | 1,000  | 6,425                  | 14,007   |

## 26 Provisions for liabilities

|                                 | Group and<br>Charity<br>2020<br>£'000 | Group and<br>Charity<br>2019<br>£'000 |
|---------------------------------|---------------------------------------|---------------------------------------|
| Opening balance at 1 October    | 494                                   | 487                                   |
| Provisions made in year         | 956                                   | 7                                     |
| Closing balance at 30 September | 1,450                                 | 494                                   |

Provisions for liabilities includes estimated future costs of dilapidations obligations arising from land and building operating lease contracts where RBL is the lessee and the contract requires RBL to pay such costs at the end of the lease period. Current lease obligations expire no later than 2025.

## 27 Group operating lease commitments

|  | Land and<br>buildings<br>2020<br>£'000 | Vehicles and<br>equipment<br>2020<br>£'000 | Land and<br>buildings<br>2019<br>£'000 | Vehicles and<br>equipment<br>2019<br>£'000 |
|--|--|--|--|--|
| At 30 September, the group had annual commitments under non-cancellable operating leases as follows: |  |  |  |  |
| Within one year  | 1,351                                  | 527  | 1,285                                  | 608  |
| Within two to five years   | 3,790                                  | 372  | 4,575                                  | 812  |
| Over five years  | 2,417                                  | -  | 2,750                                  | -  |
| <b>Total</b>   | <b>7,558</b>                           | <b>899</b>                                 | <b>8,610</b>                           | <b>1,420</b>                               |

## 27a Charity operating lease commitments

|   | Land and<br>buildings<br>2020<br>£'000 | Vehicles and<br>equipment<br>2020<br>£'000 | Land and<br>buildings<br>2019<br>£'000 | Vehicles and<br>equipment<br>2019<br>£'000 |
|---|--|--|--|--|
| At 30 September the charity had annual commitments under non-cancellable operating leases as follows: |  |  |  |  |
| Within one year   | 1,294                                  | 511  | 1,230                                  | 585  |
| Within two to five years  | 3,629                                  | 361  | 4,389                                  | 766  |
| Over five years   | 2,360                                  | -  | 2,661                                  | -  |
| <b>Total</b>  | <b>7,283</b>                           | <b>872</b>                                 | <b>8,280</b>                           | <b>1,351</b>                               |

| 28 Group unrestricted funds                        |  |                             |                             |                             |                    |  |
|--|--|-----------------------------|-----------------------------|-----------------------------|--------------------|--|
|  | Opening Balance<br>1 Oct 2019<br>£'000 | Incoming resources<br>£'000 | Resources expended<br>£'000 | Gains/<br>(losses)<br>£'000 | Transfers<br>£'000 | Closing Balance<br>30 Sept 2020<br>£'000 |
| Central benevolent fund                            | 28,485                                 | 102,974                     | (87,762)                    | (476)                       | 4,928              | <b>48,149</b>                            |
| Area trust funds                                   | 39,294                                 | -                           | (11,830)                    | -                           | 2,026              | <b>29,490</b>                            |
| Pension reserve                                    | (4,822)                                | -                           | (395)                       | (4,288)                     | 226                | <b>(9,279)</b>                           |
| Subsidiaries' funds                                | 3,730                                  | 11,023                      | (6,247)                     | -                           | (6,036)            | <b>2,470</b>                             |
| <b>Available reserves</b>                          | <b>66,687</b>                          | <b>113,997</b>              | <b>(106,234)</b>            | <b>(4,764)</b>              | <b>1,144</b>       | <b>70,830</b>                            |
| General fund                                       | 5,187                                  | 4,149                       | (4,600)                     | -                           | -                  | <b>4,736</b>                             |
| Branch, county, district and Women's Section funds | 31,894                                 | 3,262                       | (2,956)                     | (36)                        | (430)              | <b>31,734</b>                            |
| Functional fixed asset reserve                     | 80,152                                 | -                           | (12,413)                    | -                           | 825                | <b>68,564</b>                            |
| Programme-related investment reserve               | 4,914                                  | 23                          | -                           | -                           | (427)              | <b>4,510</b>                             |
| <b>Total group unrestricted funds</b>              | <b>188,834</b>                         | <b>121,431</b>              | <b>(126,203)</b>            | <b>(4,800)</b>              | <b>1,112</b>       | <b>180,374</b>                           |
|  | Opening Balance<br>1 Oct 2018<br>£'000 | Incoming resources<br>£'000 | Resources expended<br>£'000 | Gains/<br>(losses)<br>£'000 | Transfers<br>£'000 | Closing Balance<br>30 Sept 2019<br>£'000 |
| Central benevolent fund                            | 29,720                                 | 112,120                     | (121,582)                   | 5,453                       | 2,774              | 28,485                                   |
| Area trust funds                                   | 37,181                                 | -                           | -                           | -                           | 2,113              | 39,294                                   |
| Pension reserve                                    | (2,321)                                | -                           | (1,280)                     | (1,446)                     | 225                | (4,822)                                  |
| <b>Available reserves</b>                          | <b>67,698</b>                          | <b>127,070</b>              | <b>(131,927)</b>            | <b>4,007</b>                | <b>(161)</b>       | <b>66,687</b>                            |
| General fund                                       | 4,706                                  | 4,713                       | (4,232)                     | -                           | -                  | 5,187                                    |
| Branch, county, district and Women's Section funds | 28,977                                 | 6,702                       | (4,158)                     | 311                         | 62                 | 31,894                                   |
| Functional fixed asset reserve                     | 76,696                                 | -                           | (3,292)                     | -                           | 6,748              | 80,152                                   |
| Programme-related investment reserve               | 5,571                                  | 29                          | -                           | -                           | (686)              | 4,914                                    |
| <b>Total group unrestricted funds</b>              | <b>183,648</b>                         | <b>138,514</b>              | <b>(143,609)</b>            | <b>4,318</b>                | <b>5,963</b>       | <b>188,834</b>                           |

The Central benevolent fund incorporates the core activities of the RBL, such as operating residential care homes and welfare Break Centres, giving grants, providing resettlement training, giving pension-claims advice, and acting as the custodian of Remembrance. The proceeds from the annual Poppy Appeal collection are allocated to this fund.

The Area trust funds are benevolent funds that have been designated for use in a particular geographical area.

The Pension reserve is a specific allocation of unrestricted funds in relation to the Royal British Legion Staff Pension Fund.

Subsidiaries' funds represents unrestricted funds held in subsidiaries.

Taken together, the above three lines represent the total unrestricted reserves of the RBL, which are available for immediate use at the discretion of the Trustees.

The General fund is used to support the central administration of the membership of the RBL.

Branch, county, district and Women's Section funds represent those funds held by, or on behalf of, the various RBL membership formations.

The Functional fixed asset reserve represents the value of the RBL's functional fixed asset portfolio (such as residential care homes and welfare Break Centres), used by the charity in the delivery of its charitable objectives.

The Programme-related investment reserve represents the value of the programme-related investments used by the charity in the delivery of its charitable objectives. The unrestricted reserve excludes Be the Boss loans, which are included within restricted funds (see note 29).

| 28a Charity unrestricted funds                     |  |                             |                             |                             |                    |  |
|--|--|-----------------------------|-----------------------------|-----------------------------|--------------------|--|
|  | Opening Balance<br>1 Oct 2019<br>£'000 | Incoming resources<br>£'000 | Resources expended<br>£'000 | Gains/<br>(losses)<br>£'000 | Transfers<br>£'000 | Closing Balance<br>30 Sept 2020<br>£'000 |
| Central benevolent fund                            | 28,485                                 | 109,010                     | (90,418)                    | (476)                       | 1,566              | <b>48,167</b>                            |
| Area trust funds                                   | 39,294                                 | -                           | (11,830)                    | -                           | 2,026              | <b>29,490</b>                            |
| Pension reserve                                    | (4,822)                                | -                           | (395)                       | (4,288)                     | 226                | <b>(9,279)</b>                           |
| <b>Available reserves</b>                          | <b>62,957</b>                          | <b>109,010</b>              | <b>(102,643)</b>            | <b>(4,764)</b>              | <b>3,818</b>       | <b>68,378</b>                            |
| General fund                                       | 5,187                                  | 4,149                       | (4,600)                     | -                           | -                  | <b>4,736</b>                             |
| Branch, county, district and Women's Section funds | 31,894                                 | 3,262                       | (2,956)                     | (36)                        | (430)              | <b>31,734</b>                            |
| Functional fixed asset reserve                     | 80,152                                 | -                           | (12,413)                    | -                           | 825                | <b>68,564</b>                            |
| Programme-related investment reserve               | 4,914                                  | 23                          | -                           | -                           | (427)              | <b>4,510</b>                             |
| <b>Total charity unrestricted funds</b>            | <b>185,104</b>                         | <b>116,444</b>              | <b>(122,612)</b>            | <b>(4,800)</b>              | <b>3,786</b>       | <b>177,922</b>                           |
|  | Opening Balance<br>1 Oct 2018<br>£'000 | Incoming resources<br>£'000 | Resources expended<br>£'000 | Gains/<br>(losses)<br>£'000 | Transfers<br>£'000 | Closing Balance<br>30 Sept 2019<br>£'000 |
| Central benevolent fund                            | 29,720                                 | 117,616                     | (124,111)                   | 5,452                       | (192)              | 28,485                                   |
| Area trust funds                                   | 37,181                                 | -                           | -                           | -                           | 2,113              | 39,294                                   |
| Pension reserve                                    | (2,321)                                | -                           | (1,280)                     | (1,446)                     | 225                | (4,822)                                  |
| <b>Available reserves</b>                          | <b>64,580</b>                          | <b>117,616</b>              | <b>(125,391)</b>            | <b>4,006</b>                | <b>2,146</b>       | <b>62,957</b>                            |
| General fund                                       | 4,706                                  | 4,713                       | (4,232)                     | -                           | -                  | 5,187                                    |
| Branch, county, district and Women's Section funds | 28,977                                 | 6,702                       | (4,158)                     | 311                         | 62                 | 31,894                                   |
| Functional fixed asset reserve                     | 76,696                                 | -                           | (3,292)                     | -                           | 6,748              | 80,152                                   |
| Programme-related investment reserve               | 5,571                                  | 29                          | -                           | -                           | (686)              | 4,914                                    |
| <b>Total charity unrestricted funds</b>            | <b>180,530</b>                         | <b>129,060</b>              | <b>(137,073)</b>            | <b>4,317</b>                | <b>8,270</b>       | <b>185,104</b>                           |



| <b>29 Group restricted funds</b>                                      |   |                                     |                                     |                                      |                            |   |
|---|---|-------------------------------------|-------------------------------------|--------------------------------------|----------------------------|---|
|   | <b>Opening Balance<br/>1 Oct 2019<br/>£'000</b> | <b>Incoming resources<br/>£'000</b> | <b>Resources expended<br/>£'000</b> | <b>Gains/<br/>(losses)<br/>£'000</b> | <b>Transfers<br/>£'000</b> | <b>Closing Balance<br/>30 Sept 2020<br/>£'000</b> |
| Investment property reserve   | 65,019  | -                                   | -                                   | 2,936                                | (1,831)                    | <b>66,124</b>                                     |
| Income and sales proceeds from property held in corporate trusteeship | 46,851  | 2,512                               | (9,938)                             | 242                                  | 155                        | <b>39,822</b>                                     |
| Grants for specific purposes  | 4,515   | 6,673                               | (9,643)                             | -                                    | 18                         | <b>1,563</b>                                      |
| Programme-related investment reserve                                  | 3   | -                                   | -                                   | -                                    | (3)                        | -   |
| Donor-restricted legacies and donations                               | 13,923  | 1,722                               | (532)                               | 53                                   | (3,320)                    | <b>11,846</b>                                     |
| Branch and county funds   | 7,725   | 445                                 | (614)                               | (1,922)                              | -                          | <b>5,634</b>                                      |
| Charity Commission schemes  | 2,113   | 47                                  | -                                   | 16                                   | (10)                       | <b>2,166</b>                                      |
| Homes' residents' amenity funds                                       | 1,059   | 424                                 | (770)                               | -                                    | 1,215                      | <b>1,928</b>                                      |
| The Arthur Atock Memorial Trust                                       | 1,279   | 70                                  | (6)                                 | (75)                                 | -                          | <b>1,268</b>                                      |
| British Korean Veterans (1981) Relief Fund                            | 152   | 3                                   | (3)                                 | (16)                                 | (7)                        | <b>129</b>  |
| Samsung British Korean Veterans Scholarship Fund                      | 336   | 10                                  | -                                   | 1                                    | (3)                        | <b>344</b>  |
| Permanent endowments  | 830   | 25                                  | (46)                                | 32                                   | -                          | <b>841</b>  |
| <b>Total charity restricted funds</b>                                 | <b>143,805</b>                                  | <b>11,931</b>                       | <b>(21,552)</b>                     | <b>1,267</b>                         | <b>(3,786)</b>             | <b>131,665</b>                                    |
| Poppyscotland Group   | 15,680  | 6,798                               | (7,728)                             | 244                                  | 243                        | <b>15,237</b>                                     |
| Poppyscotland pension provision                                       | (1,788)   | -                                   | (134)                               | 62                                   | 107                        | <b>(1,753)</b>                                    |
| National Memorial Arboretum Group                                     | 22,643  | 2,813                               | (5,221)                             | -                                    | 2,324                      | <b>22,559</b>                                     |
| Royal British Legion Republic of Ireland                              | 2,634   | 141                                 | (135)                               | (146)                                | -                          | <b>2,494</b>                                      |
| <b>Total group restricted funds</b>                                   | <b>182,974</b>                                  | <b>21,683</b>                       | <b>(34,770)</b>                     | <b>1,427</b>                         | <b>(1,112)</b>             | <b>170,202</b>                                    |
|   | <b>Opening Balance<br/>1 Oct 2018<br/>£'000</b> | <b>Incoming resources<br/>£'000</b> | <b>Resources expended<br/>£'000</b> | <b>Gains/<br/>(losses)<br/>£'000</b> | <b>Transfers<br/>£'000</b> | <b>Closing Balance<br/>30 Sept 2019<br/>£'000</b> |
| Investment property reserve   | 66,682  | -                                   | -                                   | 5,885                                | (7,548)                    | 65,019  |
| Income and sales proceeds from property held in corporate trusteeship | 45,758  | 2,749                               | (3,491)                             | 363                                  | 1,472                      | 46,851  |
| Grants for specific purposes  | 4,829   | 19,227                              | (17,565)                            | -                                    | (1,976)                    | 4,515   |
| Programme-related investment reserve                                  | 17  | -                                   | -                                   | -                                    | (14)                       | 3   |
| Donor-restricted legacies and donations                               | 13,233  | 1,156                               | (378)                               | 116                                  | (204)                      | 13,923  |
| Branch and county funds   | 6,496   | 883                                 | (324)                               | 670                                  | -                          | 7,725   |
| Charity Commission schemes  | 1,933   | 46                                  | -                                   | 134                                  | -                          | 2,113   |
| Homes' residents' amenity funds                                       | 1,030   | 719                                 | (690)                               | -                                    | -                          | 1,059   |
| The Arthur Atock Memorial Trust                                       | 1,201   | 267                                 | (185)                               | (4)                                  | -                          | 1,279   |
| British Korean Veterans (1981) Relief Fund                            | 149   | 3                                   | (3)                                 | 3                                    | -                          | 152   |
| Samsung British Korean Veterans Scholarship Fund                      | 429   | 10                                  | (116)                               | 13                                   | -                          | 336   |
| Permanent endowments  | 824   | 15                                  | (34)                                | 25                                   | -                          | 830   |
| <b>Total charity restricted funds</b>                                 | <b>142,581</b>                                  | <b>25,075</b>                       | <b>(22,786)</b>                     | <b>7,205</b>                         | <b>(8,270)</b>             | <b>143,805</b>                                    |
| Poppyscotland Group   | 15,050  | 7,871                               | (8,744)                             | 484                                  | 1,019                      | 15,680  |
| Poppyscotland pension provision                                       | (1,747)   | -                                   | -                                   | (41)                                 | -                          | (1,788)   |
| National Memorial Arboretum Group                                     | 23,425  | 4,213                               | (6,283)                             | -                                    | 1,288                      | 22,643  |
| Royal British Legion Republic of Ireland                              | 2,683   | 212                                 | (262)                               | 1                                    | -                          | 2,634   |
| <b>Total group restricted funds</b>                                   | <b>181,992</b>                                  | <b>37,371</b>                       | <b>(38,075)</b>                     | <b>7,649</b>                         | <b>(5,963)</b>             | <b>182,974</b>                                    |

Restricted funds represent grants, donations, legacies and property that are given by the donor for specific purposes and that must be used for that purpose. All restricted funds are held within the Benevolent fund. Restricted funds include permanent endowment funds that are not material and are not therefore shown separately on the face of the Balance Sheet.

The investment property reserve represents the estimated market value of £66.124 million (2019: £65.019 million), representing a portfolio of 302 properties (2019: 310 properties) owned by the RBL and, in most cases, occupied by social clubs licensed by the RBL to use its name. Many of these properties are held under trust deeds, which provide that, if they are sold, the proceeds must be applied in accordance with the terms of the original trust deeds. In most cases, the beneficiaries of such deeds will also be the beneficiaries of the Royal British Legion, but in some cases the relevant deed may limit support in the first instance to ex-serving personnel in a defined geographical area.

As a result, income from these properties is held as restricted funds pending agreement with the Charity Commission on how the restrictions contained within the trust deeds can be widened to best serve the RBL's beneficiaries, at which point the funds are transferred to other reserves as appropriate. The value of these reserves at 30 September 2020 was £39.822 million (2019: £46.851 million), which includes both investment income and sales proceeds.

| <b>29a Charity restricted funds</b>                                   |   |                                     |                                     |                                      |                            |   |
|---|---|-------------------------------------|-------------------------------------|--------------------------------------|----------------------------|---|
|   | <b>Opening Balance<br/>1 Oct 2019<br/>£'000</b> | <b>Incoming resources<br/>£'000</b> | <b>Resources expended<br/>£'000</b> | <b>Gains/<br/>(losses)<br/>£'000</b> | <b>Transfers<br/>£'000</b> | <b>Closing Balance<br/>30 Sept 2020<br/>£'000</b> |
| Investment property reserve   | 65,019  | -                                   | -                                   | 2,936                                | (1,831)                    | <b>66,124</b>                                     |
| Income and sales proceeds from property held in corporate trusteeship | 46,851  | 2,512                               | (9,938)                             | 242                                  | 155                        | <b>39,822</b>                                     |
| Grants for specific purposes  | 4,515   | 6,673                               | (9,643)                             | -                                    | 18                         | <b>1,563</b>                                      |
| Programme-related investment reserve                                  | 3   | -                                   | -                                   | -                                    | (3)                        | -   |
| Donor-restricted legacies and donations                               | 13,923  | 1,722                               | (532)                               | 53                                   | (3,320)                    | <b>11,846</b>                                     |
| Branch and county funds   | 7,725   | 445                                 | (614)                               | (1,922)                              | -                          | <b>5,634</b>                                      |
| Charity Commission schemes  | 2,113   | 47                                  | -                                   | 16                                   | (10)                       | <b>2,166</b>                                      |
| Homes' residents' amenity funds                                       | 1,059   | 424                                 | (770)                               | -                                    | 1,215                      | <b>1,928</b>                                      |
| The Arthur Atock Memorial Trust                                       | 1,279   | 70                                  | (6)                                 | (75)                                 | -                          | <b>1,268</b>                                      |
| British Korean Veterans (1981) Relief Fund                            | 152   | 3                                   | (3)                                 | (16)                                 | (7)                        | <b>129</b>  |
| Samsung British Korean Veterans Scholarship Fund                      | 336   | 10                                  | -                                   | 1                                    | (3)                        | <b>344</b>  |
| Permanent endowments  | 830   | 25                                  | (46)                                | 32                                   | -                          | <b>841</b>  |
| <b>Total charity restricted funds</b>                                 | <b>143,805</b>                                  | <b>11,931</b>                       | <b>(21,552)</b>                     | <b>1,267</b>                         | <b>(3,786)</b>             | <b>131,665</b>                                    |
|   | <b>Opening Balance<br/>1 Oct 2018<br/>£'000</b> | <b>Incoming resources<br/>£'000</b> | <b>Resources expended<br/>£'000</b> | <b>Gains/<br/>(losses)<br/>£'000</b> | <b>Transfers<br/>£'000</b> | <b>Closing Balance<br/>30 Sept 2019<br/>£'000</b> |
| Investment property reserve   | 66,682  | -                                   | -                                   | 5,885                                | (7,548)                    | 65,019  |
| Income and sales proceeds from property held in corporate trusteeship | 45,758  | 2,749                               | (3,491)                             | 363                                  | 1,472                      | 46,851  |
| Grants for specific purposes  | 4,829   | 19,227                              | (17,565)                            | -                                    | (1,976)                    | 4,515   |
| Programme-related investment reserve                                  | 17  | -                                   | -                                   | -                                    | (14)                       | 3   |
| Donor-restricted legacies and donations                               | 13,233  | 1,156                               | (378)                               | 116                                  | (204)                      | 13,923  |
| Branch and county funds   | 6,496   | 883                                 | (324)                               | 670                                  | -                          | 7,725   |
| Charity Commission schemes  | 1,933   | 46                                  | -                                   | 134                                  | -                          | 2,113   |
| Homes' residents' amenity funds                                       | 1,030   | 719                                 | (690)                               | -                                    | -                          | 1,059   |
| The Arthur Atock Memorial Trust                                       | 1,201   | 267                                 | (185)                               | (4)                                  | -                          | 1,279   |
| British Korean Veterans (1981) Relief Fund                            | 149   | 3                                   | (3)                                 | 3                                    | -                          | 152   |
| Samsung British Korean Veterans Scholarship Fund                      | 429   | 10                                  | (116)                               | 13                                   | -                          | 336   |
| Permanent endowments  | 824   | 15                                  | (34)                                | 25                                   | -                          | 830   |
| <b>Total charity restricted funds</b>                                 | <b>142,581</b>                                  | <b>25,075</b>                       | <b>(22,786)</b>                     | <b>7,205</b>                         | <b>(8,270)</b>             | <b>143,805</b>                                    |

### **30 Transfers between restricted and unrestricted funds**

During the year, the group made net transfers of £1.112 million from restricted to unrestricted reserves (2019: £5.963 million transferred from restricted to unrestricted reserves). The most significant transfers are described below.

The RBL carried out further work in respect of the income and sale proceeds held from properties in corporate trusteeship. In its role as corporate trustee, the RBL made use of provisos on 24 trusts (2019: 30 trusts) resulting in the release of £1.909 million (2019: £2.113 million) from restricted into unrestricted funds. The RBL has opted to designate these funds for welfare activity, and they are included within Area trust funds at note 28 above.

An amount of £2.3 million (2019: £1.192 million) was transferred from unrestricted to restricted funds in respect of grant funding provided by the charity to the National Memorial Arboretum. Similarly, a transfer of £355,000 (2019: £1.019 million) was made from unrestricted to restricted funds in respect of funding provided by the charity to Poppyscotland.

**31 Analysis of group net assets between funds**

|  | <b>Unrestricted<br/>2020<br/>£'000</b> | <b>Restricted<br/>2020<br/>£'000</b> | <b>Total<br/>2020<br/>£'000</b> | Unrestricted<br>2019<br>£'000 | Restricted<br>2019<br>£'000 | Total<br>2019<br>£'000 |
|--|--|--------------------------------------|---------------------------------|-------------------------------|-----------------------------|------------------------|
| <b>Fund balances are represented by:</b> |  |                                      |                                 |                               |                             |                        |
| Intangible and tangible assets           | 63,389                                 | 22,645                               | 86,034                          | 80,152                        | 22,228                      | 102,380                |
| Investments                              | 103,530                                | 132,333                              | 235,863                         | 97,844                        | 138,078                     | 235,922                |
| Current assets                           | 51,277                                 | 18,995                               | 70,272                          | 51,745                        | 26,608                      | 78,353                 |
| Current and non current liabilities      | (28,543)                               | (2,018)                              | (30,561)                        | (36,085)                      | (2,129)                     | (38,214)               |
| Defined benefit pension liability        | (9,279)                                | (1,753)                              | (11,032)                        | (4,822)                       | (1,811)                     | (6,633)                |
| <b>Total funds</b>                       | <b>180,374</b>                         | <b>170,202</b>                       | <b>350,576</b>                  | <b>188,834</b>                | <b>182,974</b>              | <b>371,808</b>         |

**32 Events after the reporting period**

On 5 January 2021, Gift Aid totalling £2.486 million relating to the 2020 profits of Royal British Legion Trading was paid to the charity; consequently, no tax is payable by this subsidiary in respect of the year ended 30 September 2020.

**33 Related party transactions**

During the year ended 30 September 2020, the following transactions have taken place between the charity and other members of the RBL group:

- Grant funding of £2.3 million was provided by the charity to The National Memorial Arboretum Company (2019: £1.165 million).
- The charity received donations of profits from Royal British Legion Trading and Remembrance Travel of £3.735 million and £nil respectively (2019: £3.090 million and £30,000 respectively). Royal British Legion Developments had no profits to pay to the charity in 2020 (2019: nil).
- The charity received a grant of £2.301 million from Royal British Legion Poppy Lottery (2019: £2.376 million).
- Grant funding of £355,000 was provided by the charity to the Poppyscotland Group (2019: £1.019 million).
- The charity purchased goods and services valued at £144,000 from Royal British Legion Trading (2019: £71,000).
- The charity purchased goods and services valued at £23,000 from NMA (Enterprises) (2019: £122,000).

In addition, the following balances were outstanding between the charity and other members of the RBL group at 30 September 2020:

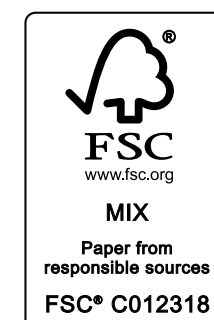
|  | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
|--|-----------------------------------|--------------------------|
| <b>Amounts receivable from consolidated entities</b>       |                                   |                          |
| Royal British Legion Poppy Lottery                         | -                                 | 2,554                    |
| The National Memorial Arboretum Company                    | 159                               | 142                      |
| Royal British Legion Developments                          | 36                                | 98                       |
| Royal British Legion Trading                               | 569                               | 92                       |
| NMA (Enterprises)  | -                                 | 11                       |
| Remembrance Travel   | -                                 | 2                        |
| Royal British Legion Republic of Ireland                   | 45                                | 15                       |
| <b>Total amounts receivable from consolidated entities</b> | <b>809</b>                        | <b>2,914</b>             |

|   | <b>Charity<br/>2020<br/>£'000</b> | Charity<br>2019<br>£'000 |
|---|-----------------------------------|--------------------------|
| <b>Amounts payable to consolidated entities</b>       |                                   |                          |
| Poppyscotland Group                                   | 286                               | 204                      |
| NMA (Enterprises)                                     | 2                                 | -                        |
| <b>Total amounts payable to consolidated entities</b> | <b>288</b>                        | <b>204</b>               |

The Royal British Legion is a member organisation of the Royal Commonwealth Ex-Services League (RCEL). Three of the RBL's Trustees hold positions within the RCEL, as detailed below. The RCEL shares office space and certain services with the RBL, which had an estimated value of £43,000 during the year (2019: £47,000). The RCEL does not make payments to the RBL for these services.

In addition, on 7 September 2017, the Trustees approved a grant to the RCEL of £1.2 million to be paid over a period of five years commencing in 2018. In line with its policy of recognising future grant commitments at their net present value using an appropriate discount rate (see note 1), the charity recognised £66,000 of grant expenditure in relation to the RCEL during 2020 (2019: £25,000), and held a grant creditor of £471,000 owed to RCEL at 30 September 2020 (2019: £646,000).

| <b>Organisation</b>                   | <b>Related party</b>          | <b>Position at the RBL</b> | <b>Position at related-party organisation</b> |
|---------------------------------------|-------------------------------|----------------------------|---|
| Royal Commonwealth Ex-Services League | Una Cleminson                 | Trustee                    | Trustee                                       |
|                                       | Major General David Jolliffe  | Trustee                    | Honorary Medical Adviser                      |
|                                       | Lieutenant Colonel Joe Falzon | Trustee                    | Council Member for Malta                      |







Registered address: Royal British Legion, Haig House, 199 Borough High Street, London SE1 1AA  
Registered Charity Number: 219279