



# THE ROYAL BRITISH LEGION ANNUAL REPORT & ACCOUNTS

YEAR ENDED 30 SEPTEMBER

# 2019





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THE ROYAL BRITISH  
LEGION



# FOREWORD



**UNA CLEMINSON**, National Chairman and **CHARLES BYRNE**, Director General

**A year that** saw the 75th anniversary commemorations of the D-Day landings, along with several major battles of the Second World War, was always going to be a busy one for the Legion.

'Remember Together' was our theme for Remembrance this year, yet the inclusion it calls for was also a guiding principle. We chartered a ship, MV *Boudicca*, to carry 275 D-Day veterans plus their family members and carers to the beaches of Normandy. We brought people of many different nations together for an international ceremony in Portsmouth led by HM The Queen. To honour those who served, we organised a service at Bayeux Cathedral, as well as commemorations at the Commonwealth War Graves Commission cemetery in Bayeux and the National Memorial Arboretum. Country leaders, communities and individuals all gathered to pay tribute to those who fought at Monte Cassino, Kohima and Imphal. We worked with the social-inclusion charity British Future to help

people from different backgrounds unite in Remembrance at events in Boston and Leicester. We brought different generations together, too. In schools across England, Wales and Northern Ireland, educational materials were made available to 1,906,000 children so they could learn about and better understand Remembrance.

Other conflicts beyond the Second World War were also commemorated this year. We were proud to recognise the commitment of the many people who served in Operation Banner, the Army's deployment in Northern Ireland from 1969 to 2007, Britain's longest-ever continuous operation.

The 2018 Festival of Remembrance commemorated the centenary of the end of the First World War and was one of the most powerful we can recall. A particularly haunting and beautiful moment came when Sheku Kanneh-Mason, a world-class cellist, played Leonard Cohen's *Hallelujah* as a gauze came down displaying photographs of

the fallen. Voice recordings of veterans from the Imperial War Museum's archive played as the audience stood in silence holding photos of Service personnel from the First World War who never came home. We were delighted when the Festival won its first-ever BAFTA, for Best Live Event.

Driven by huge public interest stimulated by commemorations of the end of the First World War, the Poppy Appeal that began in 2018 and closed in 2019 raised almost £55 million, more than any appeal in our history. Once again, we are genuinely humbled by the support we receive and the dedication of our members and volunteers, both during the Poppy Appeal and throughout the year.

While it has been uplifting to see so many people from different backgrounds and nationalities brought together at our events, we do not forget those who feel isolated. Social isolation is an issue across our society, but recent research shows that it is particularly prevalent among those in the Armed Forces community. More than 900 branches take part in our community-support initiative, which has reached more than 4,000 people this year. The initiative provides much-needed assistance to those who are socially isolated, from things such as home visits to help with moving house.

Turning to the future, we are very much looking forward to next year's Together at Christmas initiative. Launching with the support of four generations of the Royal Family, including HM The Queen, the initiative will see us distributing special Legion Christmas puddings across our branch network in time for our Christmas 2020 get-togethers. The aim is to combat the social isolation felt by some members of the Armed Forces community at a difficult time of year for those on their own.

It's important to us that everyone's

voices are heard. Our Count Them In campaign has been hugely successful, and we're confident we'll see a question concerning membership of the Armed Forces community included in the next national census. This will enable both national and local government, charities and other service providers to draw upon data to help them plan, tailor and deliver services that meet the needs of the Armed Forces community. We were also delighted to see Susan Coleman, our Equality & Diversity Champion, win the Defence Inclusivity Award at the 2019 Soldiering On Awards for her role in supporting the LGBTQ+ community. On Commonwealth Day, we launched our Stop the Service Charge campaign to scrap visa fees for Commonwealth personnel and their families when applying for indefinite leave to remain in the UK following four years of Service or more. The campaign gained national media coverage and the support of more than a quarter of MPs and the Ministry of Defence.

Good governance is one of the most important factors in ensuring the sound operation of a charity and protecting its reputation, so we have strengthened our governance with a more defined framework. It makes clear which responsibilities sit where and how incidents must be recorded and reported

to the Charity Commission and our many regulators. We have provided the Board of Trustees with development sessions addressing risk and safeguarding. In last year's report, we commented on breaking down the barriers between department silos in the Legion. We've taken steps to improve this, but it's still not as good as it needs to be. Making the organisation work together more seamlessly is one of the goals of the new operating model due for launch in 2020.

The year saw two changes in our leadership team. We are delighted to welcome our new National President, James Bashall, and our first female National Chairman, Una Cleminson. We would like to wish them both the best of luck and have every confidence they will make a great contribution during their tenures.

They take up their roles at a time when the Legion faces big challenges. Despite the population we serve decreasing, we continue to see increasing requests for support. A large proportion of our beneficiary community is getting older and, as a result, have more needs than in previous years. Since 2016, we have seen a 20 per cent increase in people needing basic support with housing, financial issues, mental health and wellbeing, and

mobility. The average expenditure per household through the Legion's immediate-needs funding has risen 48 per cent – from £900 to £1,330 – over the same period. As with other military charities across the board, the Legion will continue to face income and cost pressures, which will need to be managed effectively.

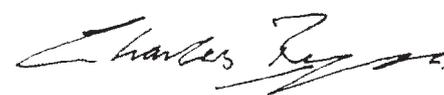
In 2020, the Covid-19 pandemic has significantly disrupted our way of life across our nations and communities, and has affected us all. We will continue to play our part in the nation's response, adapting how we work so we can continue to help those we support throughout these extremely challenging times.

The heart of the Legion, our work and our vision, is summed up in The Charge, which we hear whenever a President hands over the Standard to a new Standard Bearer. "The Union flag, in the top left-hand corner, is symbolic of our unity and our loyalty to the Crown, community and nation." Those words express the essence of who we are and what we do. The Legion, in bringing together people of different nations and communities from across the world, continues to be a powerful force for good, something that has never been more important.

"ONCE AGAIN, WE ARE GENUINELY HUMBLED BY THE SUPPORT WE RECEIVE AND THE DEDICATION OF OUR MEMBERS AND VOLUNTEERS, BOTH DURING THE POPPY APPEAL AND THROUGHOUT THE YEAR"



UNA CLEMINSON  
National Chairman



CHARLES BYRNE  
Director General

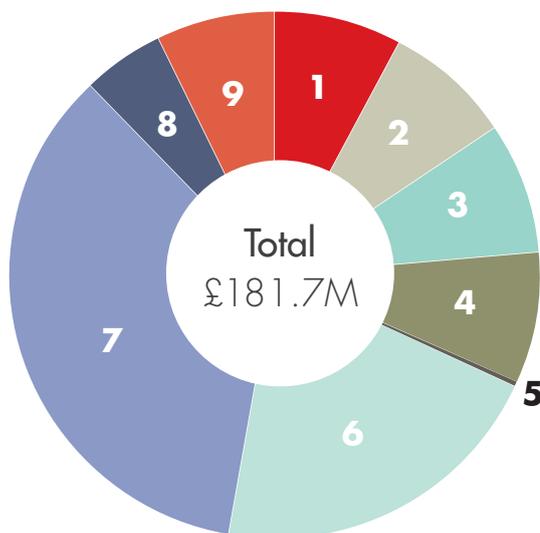
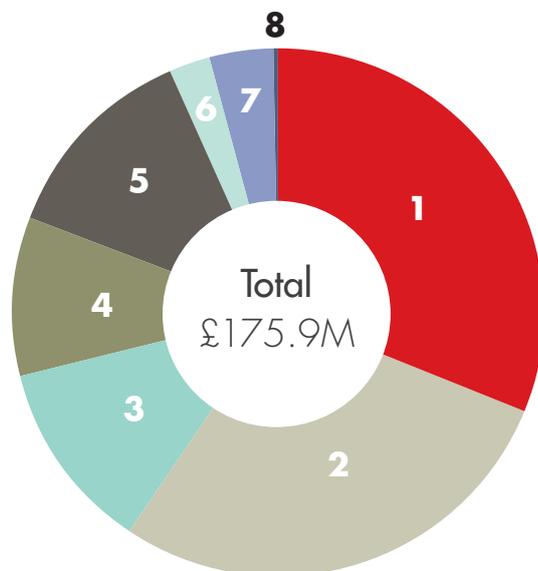
# TRUSTEES' REPORT

The trustees present their report, including strategic review, and the audited financial statements for the year ended 30 September 2019

## FINANCIAL OVERVIEW

### WHERE THE MONEY COMES FROM

		£ Million	%
<b>1</b>	The Poppy Appeal	55.0	31.3
<b>2</b>	Donations, legacies and events	49.9	28.4
<b>3</b>	Lotteries and trading	20.4	11.6
<b>4</b>	Fees charged to Care Home residents	17.1	9.7
<b>5</b>	Grants for welfare services and Remembrance	22.1	12.6
<b>6</b>	Membership subscriptions	4.4	2.5
<b>7</b>	Investment income	6.6	3.8
<b>8</b>	Other	0.4	0.2
<b>TOTAL INCOME</b>		<b>175.9</b>	<b>100</b>



### WHERE THE MONEY GOES

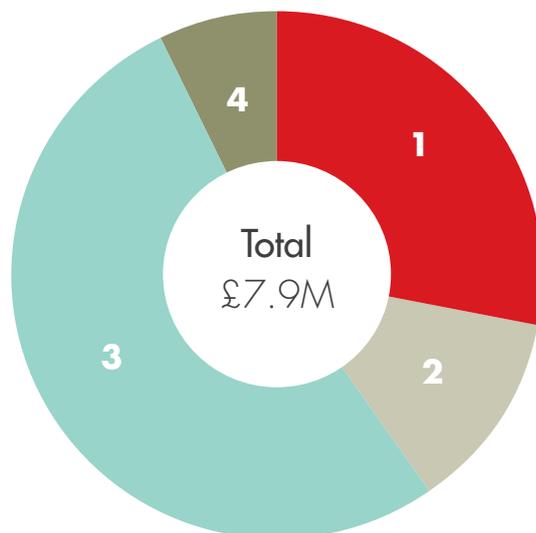
#### Operational costs

		£ Million	%
<b>1</b>	The Poppy Appeal	14.2	7.8
<b>2</b>	Donations, legacies and events	14.6	8.0
<b>3</b>	Lotteries and trading	14.3	7.9
<b>4</b>	Remembrance	14.8	8.1
<b>5</b>	Comradeship	0.6	0.3
<b>6</b>	Care Homes and Break Centres	37.7	20.7
<b>7</b>	Welfare services	63.7	35.1
<b>8</b>	Membership	9.0	5.0
<b>9</b>	Communication and campaigns	12.8	7.0
<b>TOTAL OPERATIONAL COSTS</b>		<b>181.7</b>	<b>100</b>

### WHERE THE MONEY GOES

#### Capital costs

		£ Million	%
<b>1</b>	Care Homes and Break Centres	2.2	28.1
<b>2</b>	The National Memorial Arboretum development	1.0	12.4
<b>3</b>	Improving IT infrastructure	4.1	52.3
<b>4</b>	Other	0.6	7.2
<b>TOTAL CAPITAL COSTS</b>		<b>7.9</b>	<b>100</b>

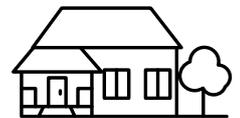


# FUNDS & RESERVES

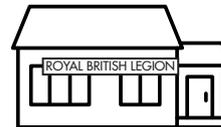
The total funds of the RBL group are broken down into three categories: Not available to spend, Membership funds and Restricted spend, and Unrestricted funds available to spend.

## NOT AVAILABLE TO SPEND

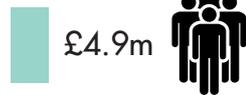
Our operational buildings, such as Care Homes, our offices and the NMA



Branch properties occupied by Legion clubs



Interest-free loans to beneficiaries



Subtotal of funds Not available to spend: £171.1m

## MEMBERSHIP FUNDS AND RESTRICTED SPEND

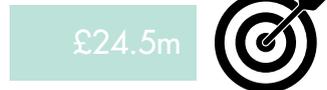
Membership funds, including money held by branches



Money that can only be used in a specific geographical area



Money given to us for a specific purpose



Subtotal of Membership funds and Restricted spend: £134m

## UNRESTRICTED FUNDS AVAILABLE TO SPEND

Reserves set aside for emergencies



Money we have available to spend



Subtotal of Unrestricted funds available to spend: £66.7m

**TOTAL FUNDS £371.8M**

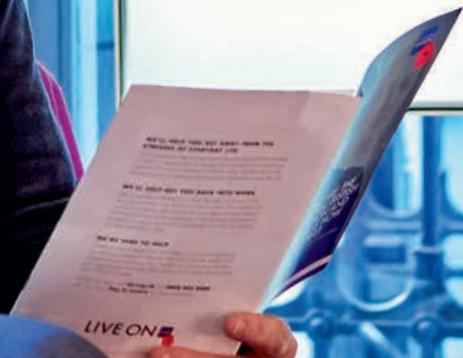
Elaine Mascurine,  
Advice and Information Officer,  
East Anglia & Essex



## NEED SOME ADVICE?

If you're serving or have ever  
served in the Armed Forces  
and need some help, visit us online  
[www.britishlegion.org.uk](http://www.britishlegion.org.uk)

LIVE ON 



**SERVICES  
AND  
SUPPORT**



# SERVICES AND SUPPORT



Architect's impression of the new Hub at Galanos House, which will open in spring 2020

**Our purpose is** to provide personalised support to members of the Armed Forces community, which includes those who are currently serving, veterans, their partners and dependants. This enduring support can start after the first day of Service and continues through life, well after Service ends.

Value for money is important. We want to achieve the maximum benefit from each pound we spend. Our plans for this year, set out in last year's report, were focused on ensuring that the services we provide meet the changing needs of the Armed Forces community. We wanted to connect up our individual services better so that those in need, no matter how they come to us, would have the most seamless, person-centred support possible. That's why we promised to invest in our helpline operation, ensuring our teams had the resources and skills they needed to have the greatest impact they could. We planned to develop our data

analysis as well as review our grant-giving programme. With the insights gained, we would focus our activities where they were most needed. To further support those in need, we planned to complete the Galanos House Care Home community hub, building and opening the facility. Finally, we pledged to put on a sports recovery event at the UK National Trials in collaboration with the Ministry of Defence (MoD) and Help for Heroes.

Although the overall number of households we helped this year is comparable to last year, people's needs are becoming increasingly complex. Many are coming to us at their lowest point, at risk of homelessness or unable to feed their families. In order to make a lasting, positive difference to the people we support, we therefore have to adapt our services. Over the year, we have increased our understanding of this changing need in the Armed Forces community through a combination

of internal and external studies and collaboration with our wide network of partners.

We have already begun to connect our services better so people coming to us for help experience a single, joined-

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# SERVICES AND SUPPORT

up service. We have also changed the way we measure the performance of our call centre to focus on quality over quantity.

Work on the community hub at Galanos, and its ten-bed extension, progressed well this year. We will be completing both projects in 2020.

## VETERANS MEDICAL FUNDS

In December 2015, we launched the Veterans Medical Funds programme to help meet the specific health needs that many veterans have. This programme is funded by a five-year, £13 million commitment from Her Majesty's Treasury, using income generated from the LIBOR rate-fixing fines. We are pleased to say that 2019 was the programme's most popular and successful period since it began.

We helped more than 1,300 veterans who acquired hearing loss or tinnitus during Service, with grants totalling £4.9 million. By providing equipment, including specialist, state-of-the-art hearing aids and an array of Bluetooth devices, we helped the veterans and their families live fuller and more comfortable lives. A further 67 veterans with serious physical injuries attributed to Service received grants totalling £500,000 for physiotherapy, wheelchairs, braces and other equipment.

## COMMUNITY SUPPORT

We know that social isolation is a real issue among the Armed Forces community. Our community support initiative, run by our branches, provides those who are socially isolated with

## 2019 WAS THE VETERANS MEDICAL FUNDS PROGRAMME'S MOST POPULAR AND SUCCESSFUL PERIOD SINCE IT BEGAN

much-needed help, including home visits and even assistance moving house. The initiative goes from strength to strength and branch members have provided support for more than 4,000 people this year. A total of 932 branches have now signed up to the scheme and between them have undertaken some 10,500 visits.

## INVICTUS GAMES

There is growing awareness that participation in adaptive sports can bring profound change for the better in veterans who have suffered disability in Service. As there was no international Invictus Games in 2019, the UK ran its own national event, the Invictus UK Trials, which took place between 22 and 26 July 2019. We wanted to bring the benefits to as many British wounded, injured or sick personnel – serving and veteran – and their families as we could, and a total of 324 competitors attended the Trials with our support. The event also saw the first-ever UK Veterans Arts Festival, incorporating music, poetry, painting, photography, literary writing, dance and theatre.



Duncan Maile,  
Regional Outreach Officer

## FUNDING OUR PARTNERS' EXPERTISE

There are hundreds of Armed Forces charities. As the largest, we feel a responsibility to make it as easy as possible for members of the Armed Forces community to find the specialist services that could help them most. We also help to sustain those services through funding. Our external grants programme helped more than 24,000 people across the UK over the year. In order to make the greatest impact possible with this funding, we are reviewing it to ensure we direct funds at areas of unmet need. This new funding programme will open in 2020.

Here are some examples of the many different ways in which we worked with partner organisations in 2019.

### READING FORCE

Reading Force's aim is to help families with a Service connection to better communicate with one another. It provides free books and special scrapbooks to encourage families to set up informal book groups, which help families stay connected or reconnect.

### VETERANS LEGAL LINK

Veterans Legal Link (VLL) offers lawyers and Aberystwyth University law students the chance to give something back. They use their skills to bring justice to veterans and their families in need throughout Wales. The law students improve access to justice by providing a comprehensive signposting and referral service.

### SPINAL INJURIES ASSOCIATION

The Association's Peer Support Service



Competitors in the  
Invictus UK Trials

for the Armed Forces is dedicated to helping people affected by spinal cord injury. Access to the service is open to both current and former members of the Armed Forces, their families and carers.

### NEW CHALLENGES WITH MORE COMPLEX NEEDS

The trend of people coming to us with ever-more complex needs continues to present challenges. We spend more resources per household we help because the support we now provide



Veteran Maurilia Simpson,  
Lance Corporal,  
Royal Logistics Corps

is more holistic, involving more staff resources and access to multiple services. The financial costs of grant provision have therefore increased. We are not alone in the Armed Forces charity sector in seeing an increase in the complexity of need, but we are determined to meet this challenge.

During the year, we completed

a review and change programme for our sector-leading War Pensions and Armed Forces Compensation scheme. It enables members of our community to access compensation for Service-related injury and illness.

The modern-day needs of the Armed Forces community are changing and it is our duty to change in response. We

have closely considered all options for our organisation to identify where we can make the greatest difference to those tackling the toughest challenges. As a result, we have had to make some difficult decisions. Although it falls outside of the reporting period covered in this report, we feel it important to announce that we will be closing our breaks and home-maintenance services in 2020. While we know these services were well loved, their closure will release £5.8 million annually. The funds will provide increased resource for casework; immediate-needs funding, including crisis grants; investment in our Care Homes and services for older members of the Armed Forces community; and funding to external partners.

## AIMS FOR 2020

- Improve the experience of people using our services by partnering in the development and launch of a new Casework Management System (CMS), to be used by more than 90 Armed Forces-linked charities
- Make further changes to how we manage cases based on previous review findings and our learnings from delivering support during the Covid-19 pandemic
- Respond with better support to the increased prevalence of multiple-needs cases
- Help Team UK competitors and families in their preparations for the next international Invictus Games in 2021
- Develop a future strategy for Recovery following the conclusion of the MoD's review of the Defence Recovery Capability

# 2019 IN NUMBERS

In 2019, we marked the centenary of the end of the First World War, while our services and support and campaigning efforts reached new heights

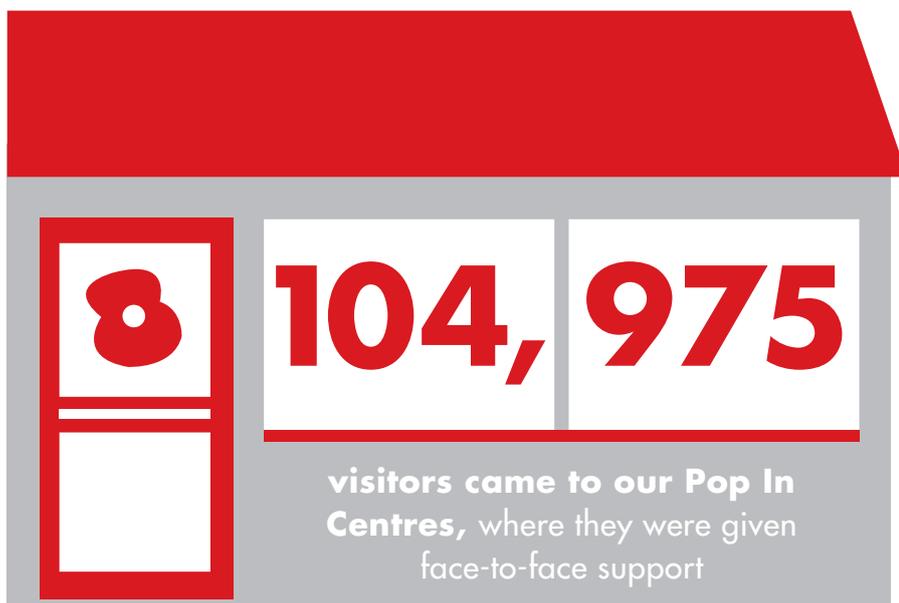


**183,298**

**enquiries have been made to our helpline** using phone, email and live-chat channels



**We helped 685 wounded, injured and sick personnel** with recovery support through the Invictus Games and the Battle Back Centre



**visitors came to our Pop In Centres**, where they were given face-to-face support

**£15.9 million**



The Royal British Legion provided people with **financial support that equalled £15.9 million**

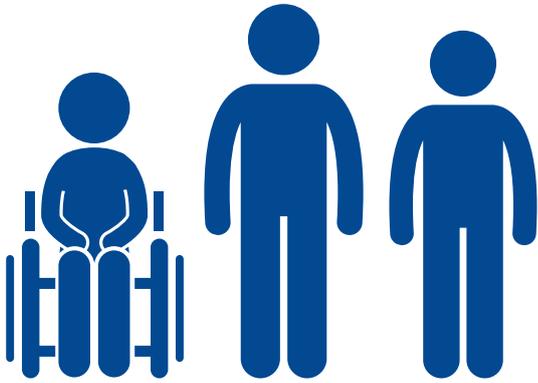
We helped more than 1,300 veterans who acquired hearing loss or tinnitus during Service, with grants totalling £4.9 million

1,300



1,161

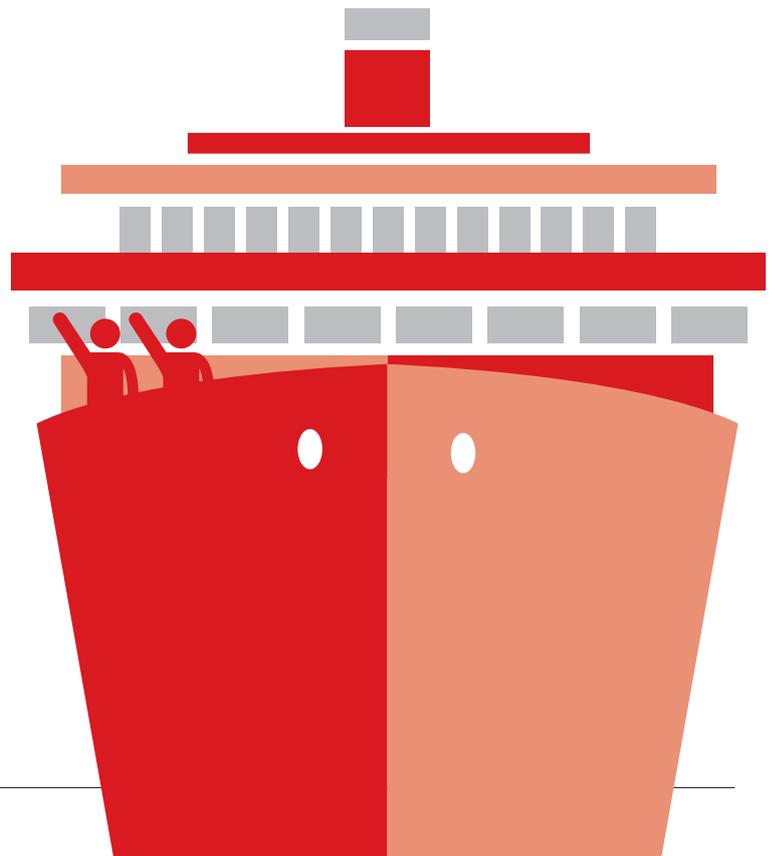
new carers for people living with dementia are now supported by the Legion

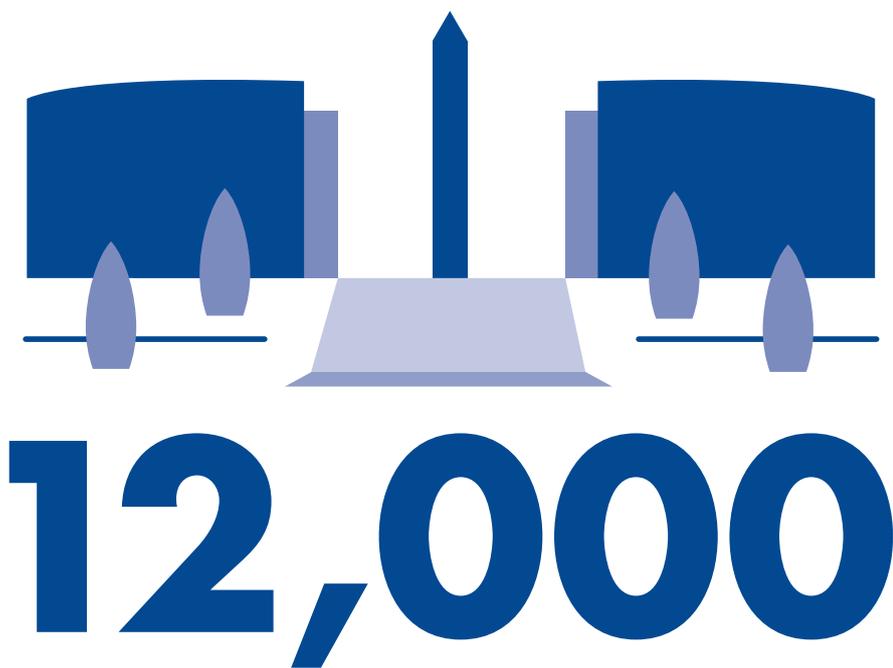


Our external grants programme made grants to other organisations totalling £12.7 million, helping more than 30,000 people

255

veterans and their family members were carried across the Channel to Normandy on a ship chartered by the Legion to mark the 75th anniversary of D-Day





**people attended the National Memorial Arboretum's largest-ever Armistice service,** marking the centenary of the end of the First World War



**10,500**

**members provided support for more than 4,000 people this year.**

A total of 932 branches signed up to our community support scheme and between them have facilitated some 10,500 visits.

# £55 million

The **2018 Poppy Appeal raised £55 million**, the largest amount in our history. It was accomplished by extending the reach of the Thank You campaign, with around 500 community events

# 40 million

For the 2018 Poppy Appeal, we distributed roughly **40 million poppies, 7 million pin badges and 27,000 school packs**

**Our final response to the consultation on the 10-year Veterans Strategy contained 136 recommendations** for practical ways that the UK Government, and society at all levels, can improve services and support for our veteran community



## AMBASSADOR STORIES



“I FEEL SO DIFFERENT – THERE’S NO NEGATIVITY AND NO PROBLEMS. I CAN NEVER THANK DAVE AND THE LEGION ENOUGH FOR EVERYTHING THEY’VE DONE”

### DAVID STREET

#### ROYAL NAVY VETERAN FULL OF PRAISE FOR LEGION VOLUNTEER

David Street, 37, hit rock bottom after leaving the Royal Navy. Having served his country for two years, David encountered unexpected challenges on his return to civilian life. A broken relationship, a custody battle, a pile of debts, a period of unemployment, social isolation and a notice of eviction created a nightmare of circumstances for the veteran.

“Things took a nosedive after I left the Royal Navy,” he recalls. “I lost the married quarters after the end of my marriage and everything seemed to

spiral downwards after that. I had some strong days when I felt positive and could do anything, but then I’d go for weeks without being able to set foot outside, I was so depressed.”

Following an online search for help, David found himself at The Royal British Legion’s Pop-In centre in Liverpool. Here, he found a friend in the form of volunteer caseworker Dave Wakelam. Dave and the Legion helped David to find a place to live and paid for essential furnishings for the flat. David was also appointed a dedicated Benefits, Debt and Money advisor to help sort out his finances.

“It’s like having a family I never knew I had – nothing has been too much trouble for Dave, even when I’ve

messaged him at daft times,” says David. “Although I’m ex-Armed Forces, I just didn’t see myself as a veteran, because I’d only served two years and didn’t think I had any entitlement, but the response from the Legion has been unbelievable.”

Now, in a remarkable turnaround, David has landed a job as an electrical-fault finder and also works as a handyman in Walton during his spare time, having put fliers through doors in his neighbourhood. He is now settled in his flat with his new job and a new relationship with girlfriend Jo, along with a newfound confidence.

He has since joined veterans’ networks through the Legion and finds the support of other ex-Royal Navy personnel invaluable.

## AMBASSADOR STORIES

# BETHANY WILLIS

### LEGION-FUNDED BATTLE BACK CENTRE HELPS PERSONAL TRAINER FIND RENEWED PURPOSE

At 26, Bethany was in the process of being discharged from the Army, following an injury. She had been an England footballer in her teens before joining the Service to realise her dream of becoming a personal trainer.

While on a training exercise for extracting casualties, Bethany felt a sudden pain in her back. In a matter of days, she was in agony when running and could no longer play football.

Doctors couldn't pinpoint the cause of her injury and, despite a prescription of painkillers and rehab, Bethany was unable to continue with her dream job.

"I was very low and felt quite lost

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"I WAS AROUND PEOPLE WHO WERE GOING THROUGH SIMILAR EXPERIENCES, UNDERSTOOD THE WORRY OF LEAVING SERVICE AND I FELT, FROM THAT POINT ON, I WASN'T ON MY OWN"

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about what I wanted to do next," she says. Bethany was referred to the Legion-funded Battle Back course for the injured, sick and wounded to help with physical and mental-health recovery.

"The week was a game-changer for me. My mindset changed, I began to focus on myself and what I wanted and come to terms with what had happened," she says. "It was a very refreshing approach [compared] to what I had encountered before, and combining the activities such as wheelchair basketball with group and one-to-one talks was

what I needed to release all the pain and disappointment I had gone through and start to focus on the future."

Since Battle Back, Bethany, from Suffolk, has set herself up as a personal trainer and, although she still endures pain in her back, she is determined to help others achieve their health goals.

"I owe a lot to the Legion, so each Remembrance I arrange a physical-challenge fundraiser and donate the money to the Legion – now knowing that this money can help others in my position get back on their feet," she says.





## LEON PARKER

### LEGION SUPPORT HELPS VETERAN TRANSITION BACK INTO SOCIETY

Leon Parker, 25, from Birkenhead, Merseyside, served in the Army for four-and-a-half years. However, when he left Service, Leon found himself unable to find a job and struggling to cope with regular life. This eventually led to Leon and his dog, Misty, ending up on the streets, where they spent the next three years.

In 2018, Leon tried to take his own life. Once discharged from the hospital, he opted to sleep rough in a tent in the woods with Misty by his side. Leon effectively dropped out of society completely for three months, as he struggled to cope with his latest bout of post-traumatic stress disorder (PTSD).

"Misty is so important to me. She's a therapy dog with her own Army number, and she goes everywhere with me," says Leon. "I wanted to live in the woods as a way of coping with my own paranoia, but Misty was amazing company during that time."

When Leon was ready to return to regular society, the Legion was there for him. We helped Leon secure a flat, pay his rent and bond, and furnish the property. Now, with a little help from us, Leon is working as a chef in a five-star Wirral hotel and looking forward to a better future.

"I was at a real low point in my life, and without the support of my friends and The Royal British Legion, I dread to think what might have happened," he says.

Today, Leon has a new life, new friends, a new career and now hopes to be reunited with his daughter, who he hasn't seen in nearly a year.

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**"I WAS AT A REAL LOW POINT IN MY LIFE, AND WITHOUT THE SUPPORT OF MY FRIENDS AND THE ROYAL BRITISH LEGION, I DREAD TO THINK WHAT MIGHT HAVE HAPPENED"**

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Veteran Arthur 'Les'  
Hammond, aged 96 – the  
Legion took him back  
across to Normandy on  
the *MV Boudicca*, 75 years  
after he landed at Juno  
beach on D-Day



REMEMBRANCE

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# REMEMBRANCE



The Legion chartered *MV Boudicca* for a voyage to Normandy

**We champion Remembrance** so that the nation honours the Service and sacrifice of British and Commonwealth Armed Forces, veterans and their families. They defended our democratic freedoms and way of life. Our aim is to ensure that Remembrance is understood and available to all, and passed on to the next generation. We will remember them.

Our goals for 2019 were to remember the 75th anniversaries of the Battle of Monte Cassino and the D-Day landings, the 70th anniversary of the Berlin Airlift and the 50th anniversary of the start of Operation Banner. In addition, we aimed to build on the relationships fostered during 2018's Thank You campaign, developing new projects involving education and arts partnerships. We also wanted to build on the success of the National Memorial Arboretum's Large Visitor Attraction of the Year Gold award, to raise

awareness of the Arboretum and position it as the national destination for Remembrance. This included making sure the Aspects events building at the Arboretum met its income targets. Finally, we aimed to pass on a greater understanding of Remembrance to young people by continuing to develop learning resources and engagement programmes at the Arboretum.

## **REMEMBER TOGETHER**

The Legion adopted 'Remember Together' as the theme for its 2019 commemorations. These marked the 75th anniversary of the momentous events in 1944 that led to victory in Europe and the Far East. Particular focus was paid to the tide-turning and epic battles of Monte Cassino in Italy, Normandy in France, and Imphal and Kohima in Northeast India. These battles were fought at great cost, not only to UK Armed Forces but also to

members of the Commonwealth, Allies and Resistance who came to Britain's aid in defeating the Axis Powers.

Central to these events were the veterans. Yet their attendance at the commemorations brought unique challenges. In particular, for D-Day 75, we needed to make travel abroad easy, comfortable and safe for 255 veterans, many of whom were approaching their 100th birthdays. They would need the very best care and support. Never one to back down from a challenge, the Legion chartered a cruise ship, the *MV Boudicca*, to carry these veterans, family members and carers across the Channel to Normandy. Many different Legion teams came together to make sure the trip was a success. The Operations team provided the highest quality of care, visiting veterans in their homes and offering extensive welfare support throughout the journey and after. The Marketing team

# REMEMBRANCE

told the veterans' stories over multiple media platforms. By the time the trip finished, the veterans had appeared in more than 1,000 media stories and had received more than 24 hours of TV coverage.

On dry land, the Legion played a pivotal role in a week of remarkable events in Portsmouth, Bayeux and at the Arboretum. We were involved in the international ceremony led by HM The Queen in Portsmouth. We organised the commemorations in Bayeux Cathedral and at the nearby Commonwealth War Graves Commission cemetery, which were attended by HRH The Prince of Wales and HRH The Duchess of Cornwall, as well as the British Prime Minister. A collection of veterans and serving personnel attended the Legion's events to honour the memory of Monte Cassino at the Arboretum. We also partnered with the National Army Museum to pay tribute to the battle for Imphal and Kohima. It was important to represent the numerous nations that fought at Britain's side, so we made sure these events involved representatives from a wide variety of cultures.



Veteran Albert Barnes tries out a gun after disembarking MV *Boudicca* on a trip to commemorate the D-Day anniversary

The Remembrance events were also an opportunity to recognise the contribution so many different cultural communities made to the battles of 1944. The provinces of British India, for example, committed 2.5 million to Britain's defence – the largest single volunteer army in the history of the world. The Polish Armed Forces in the West made a decisive contribution in

Italy, and a total of 13 nations led by America and Canada, assisted by French Resistance forces, ensured the D-Day landings led to the liberation of France. History would have turned out quite differently without them on our side.

To celebrate this heritage, the Legion worked locally in the UK with the social-inclusion charity British Future. We brought people from different backgrounds together to foster a more inclusive participation in Remembrance in both Boston and Leicester. In Boston, attendees with a mix of Polish and British heritage heard from Second World War Polish veteran Wanda Szuwalska. Current serving personnel spoke about the continued relevance of Britain's Allies. In Leicester, attendees heard from Asian and Afro-Caribbean community leaders, who spoke of their forebears' contributions during the Second World War. Attendees took part in an Indian sweet-making workshop in a nod to the Indian Comforts Fund, which sent more than 1.6 million 'comfort parcels' from the UK to Indian front-line soldiers and Prisoners of War



The Armed Forces Memorial at the National Memorial Arboretum

during the conflict. In both locations, attendees wrote messages of Remembrance on the back of poppies. Production of the khadi poppy was trebled and rolled out to Diwali audiences in London and Leicester.

Finally, our website now provides a clearer definition of the Legion's Remembrance role. We made more materials available to the local community, such as a Remember Together film and other historical content. We also created materials such as downloadable lesson plans and assembly packs for schools, to help teachers incorporate Remembrance in the curriculum.

### THE FESTIVAL OF REMEMBRANCE

On 4 November 1927, The Royal British Legion held its first Remembrance Festival at the Royal Albert Hall. The world was still recovering from the First World War. HM The Queen was just 18 months old. Fast forward 91 years to 2018 and The Queen and the Legion returned to the Royal Albert Hall as the festival bade farewell to four years of

commemorations marking the centenary of the First World War.

The Festival of Remembrance is now the longest-running broadcast event in the world, although this year is the first time it won a BAFTA – for Best Live Event. The 2018 festival put on a stunning production that shone a light on the UK and The Commonwealth, the lasting legacy of the conflict and 100 years of the Royal Air Force. The tireless crew behind the festival also picked up a BAFTA for Entertainment Craft Team. The Legion's Director of Music, Captain David Cole MVO RM, was separately honoured with an OBE for his services to Music and to Remembrance in The Queen's 2019 Birthday Honours List.

### 2019 COMMEMORATIVE EVENTS

In 2019, we saw one of the Commemorative Events team's busiest years to date. On top of the events marking the 75th anniversary of famous battles in Italy (Monte Cassino) and France (Normandy), the Legion also



organised battlefield tours for veterans and family descendants to Arnhem (the Netherlands) and elsewhere in both Europe and Asia.

We worked closely throughout the year with both the Remembrance and Arboretum teams on a range of other anniversaries. There was the 70th anniversary of the Berlin Airlift – commemorated in May at IWM Duxford – and our Operation Banner 50 event at the Arboretum in August, which commemorated the service and sacrifice of the 300,000 Service personnel who served in Northern Ireland from 1969 to 2007.

In the year marking the centenary of The Armistice, we continued to develop some of our long-standing event commitments. We provided logistic support to the Festival of Remembrance and the coordination of the Cenotaph Parade on Remembrance Sunday. We hosted 4,000 schoolchildren and teachers as they toured battlefields in Western Europe, as part of our commitment to helping children understand Remembrance.



The Festival of Remembrance  
in the Royal Albert Hall

## THE ARBORETUM HOSTED ITS LARGEST-EVER ARMISTICE SERVICE IN NOVEMBER 2018, WITH SOME 12,000 PEOPLE MARKING THE END OF THE FIRST WORLD WAR. THIS CONCLUDED A FIVE-YEAR PROGRAMME OF EVENTS

### THE NATIONAL MEMORIAL ARBORETUM

The Arboretum is a place for people to reflect and celebrate lives lived, and commemorate lives lost in Service. The site is home to more than 380 memorials, including the nationally important Armed Forces Memorial. Our primary objective for the Arboretum is for the nation to recognise it as the UK's year-round centre of Remembrance. We have made good progress towards this objective.

The Arboretum hosted its largest-ever Armistice service in November 2018, with some 12,000 people in attendance, marking the centenary of the end of the First World War. The event concluded a five-year programme of events and activities to remember and thank the First World War generation. The Arboretum welcomed more visitors than ever before: more than 342,000 participated in daily acts of Remembrance, guided walks, buggy tours, exhibitions, events and activities across the site. Significantly, 22,000 of these made use of our learning schemes, an increase of 34 per cent on the previous year. The Arboretum celebrated its most successful February half term ever, with more than 9,000

people attending to participate in our family activities.

Our first year of hiring out the Aspects events building was extremely successful, with function contributions finishing three per cent above budget at £436,000. Importantly, 73 per cent of this was attributed to Armed Forces Remembrance activity. Elsewhere we have sought to generate income through new initiatives, including new events, new fundraising activity and new retail projects, which resulted in us winning a Retail Greats Gift Retailer of the Year award.

The Arboretum's programme of exhibitions also flourished this year. In September 2019, we hosted the launch of Tribute Ink, an exhibition showcasing how members of our Armed Forces use tattoos to remember the Service and sacrifice of fellow Service personnel. Other significant showcases of work included Silent Testimony by Colin Davidson, on loan from the National Museums NI, and Fashion and Freedom, on loan from Manchester Art Gallery and 14-18 Now.

During 2019, the focus transferred to the heroic contributions of those who fought during the Second World War, especially remembering those

who served at Monte Cassino, D-Day, Kohima and Imphal. Thousands came to reflect on their Service and sacrifice, including HRH The Duke of Cambridge, who led a moving service of Remembrance on 6 June.

## AIMS FOR 2020

- Continue to play a central role in the planning and delivery of commemorations, including VE Day 75 and VJ Day 75
- Ensured the representation of veteran and Second World War-generation voices across the May Bank Holiday weekend to mark VE Day 75
- Deliver a programme of activities for VJ Day 75 that accurately reflects the contribution and sacrifice of British, Commonwealth and Allied Forces, and the civilian experience, within the final campaign of the Second World War
- 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
- 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

Frederica McCarthy  
(Logistics Writer) of  
the Royal Navy



CAMPAIGNING

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# CAMPAIGNING

**We are proud** of our strong history of campaigning to support the Armed Forces community. Over time, this work has made a big difference to the lives of serving and ex-serving personnel and their families. Over the past year, we have continued to champion the interests, welfare and contribution of the Armed Forces community in line with the principles of the Armed Forces Covenant, campaigning in public, behind the scenes with decision-makers, and always using the best available evidence.

In 2019, we developed local, regional and devolved campaign messages, working closely with Poppyscotland to ensure the needs of the Armed Forces community were reflected in the Scottish Government's strategy. We campaigned to scrap immigration costs associated with Indefinite Leave to Remain applications for Commonwealth serving personnel who have been in the Armed Forces for at least four years, and their spouses and children. We also wanted to respond to the UK Government's Veterans Strategy, to ensure that veterans' needs were addressed. We planned to make progress in establishing a Service Pupil Premium in Wales. Finally, we aimed to continue to campaign for the policy recommendations outlined in our Loneliness and Social Isolation report and to advance our Count Them In campaign to include an Armed Forces question in the 2021 census.

## COUNT THEM IN

We have continued to make the case for the inclusion of a question concerning membership of the Armed Forces community in the 2021 census. Building on progress last year, we have helped veterans and dependants to demonstrate the difference this would

make through question-testing sessions and focus groups. Ahead of debates on the Census Act, we spoke to a range of parliamentarians to explain why they should back the campaign.

## HOUSING FOR SERVICE LEAVERS

All veterans deserve a home to call their own. September saw us launch our new Housing Best-Practice Guides, helping tackle the challenges that Service leavers and ex-serving personnel face when it comes to housing. We are now working with councils across the UK to share information and improve their services in order to reduce homelessness among the Armed Forces community. The guides also formed part of the No Homeless Veterans campaign, run by Cobseo (The Confederation of Service Charities).

## TACKLING LONELINESS AND SOCIAL ISOLATION

Our 2018 report, Loneliness and Social Isolation in the Armed Forces Community, revealed that a quarter of respondents often or always felt lonely.

In response to our research recommendations, the 2019 Tri-Service Families Continuous Attitude Survey (FAMCAS) included a question on whether respondents felt lonely. Questions on loneliness will also be found in the 2020 Armed Forces Continuous Attitude Survey (AFCAS). By collecting this information over time, we can build a long-term picture of how Armed Forces families experience loneliness and how government policies can better support them.

We also fed into the Scottish Government's Social Isolation and Loneliness Strategy, which now sets out actions to tackle stigma and invest in practical support for veterans experiencing loneliness, with an aim to reduce the current levels.

## EDUCATION

Growing up in a military family can be challenging for some children. That is why we strengthened our relationship with the Service Children's Progression (SCiP) Alliance, a partnership of organisations focused on improving



Veteran Frank Simpson was painted into his surroundings to highlight the Legion's Count Them In campaign

outcomes for children from military families. This year, the SCiP Alliance was successful in campaigning for universities to identify Service children applicants and provide them with any specialist support they may need.

The SCiP Alliance is not alone in doing good work in this field. In 2019, the Supporting Service Children in Wales Fund helped 39 schools with projects across Wales. A total of 847 Service children benefited. We successfully campaigned to secure renewed funding for this Welsh Government initiative in 2020.

#### HEALTH AND CARE

We continue to fight for veterans to be able to access the health and care services they need. We were pleased that the Department of Health & Social Care convened a working group to address concerns around the implementation of priority treatment for veterans in healthcare services. As a member of this group, the Legion continues to work hard to ensure that veterans' needs are fully represented. We have worked with the Welsh Government to raise awareness of priority treatment in Welsh GP surgeries, including consulting on the design of materials. Our representations successfully led to the Welsh Government increasing its annual funding to the Veterans NHS Wales service to £700,000. Through this funding, we hope the problem of longer waiting times experienced by veterans needing assessment and treatment for Service-related mental-health conditions will be addressed.

#### REGIONAL POLICY

Ahead of mayoral elections across the UK in May 2021, we have begun preparing two regional manifestos. For the first time, the Legion will produce

Private Anthony Muckell,  
veteran and bugler  
for the Royal Marine  
Band Service




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**WE CONTINUE TO  
FIGHT FOR VETERANS  
TO BE ABLE TO ACCESS  
THE HEALTH AND CARE  
SERVICES THEY NEED**

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1st Battalion Coldstream Guards flag bearers display flags from Commonwealth nations

mayoral manifestos in London and the West Midlands. We will also produce a document for Greater Manchester, following the one we prepared for the 2017 mayoral election. In 2019, we held consultations to begin identifying the 'asks' for each document.

**STOP THE SERVICE CHARGE CAMPAIGN**

Ahead of Commonwealth Day, we launched our Stop the Service Charge campaign on 8 March. It calls on the Government to scrap visa fees for Commonwealth personnel and their families when applying for indefinite leave to remain in the UK following four years of Service. This campaign has gained national media coverage. The MoD is supportive and more than a quarter of MPs have also pledged

support. The Home Office is now actively looking into the issue.

**VETERANS STRATEGY**

November 2018 saw the UK Government publish The Strategy for Our Veterans. It sets out the principles and aims of support for the veteran community over the next ten years. At the same time, the UK, Scottish and Welsh governments consulted on how best to implement the strategy.

In response, this year we held ten focus groups throughout the UK with veterans, family members, Legion staff and partner organisations. We drew on research from across the charitable and academic spheres and reached out to our supporters and members to contribute to the Government's consultation directly. Our final

contribution contained 136 recommendations for practical ways that the UK Government and society can improve services and support for our veteran community.

**AIMS FOR 2020**

- Research and publish a new report on the interaction between state benefits and Armed Forces compensation
- 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
- Pursue our Stop the Service Charge campaign, to ensure Indefinite Leave to Remain fees are waived for Commonwealth personnel and their dependants when the personnel have served four years or more
- Seek to ensure a future for the Veteran Medical Funds, which the Legion administers on behalf of the Government
- 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
- 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
- Prepare regional manifestos in London and the West Midlands ahead of the next mayoral elections



## MEMBERSHIP

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Norman Pearce,  
Christchurch Branch Standard Bearer

# 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 Legion's 2,500 branches, carrying out local welfare, fundraising and championing Remembrance in their local communities.

A key aim for 2019 was to conduct research in order to better understand our members. This will enable us to improve the membership experience for all our members and create new membership options that better cater for particular groups. We also set out to review how we communicate with our members and the training we provide. Finally, we pledged to improve how we use social media to promote the Legion and Legion membership, attract new supporters and better engage with existing members.

## UNDERSTANDING OUR MEMBERSHIP

Understanding our members is vital to growing our community. In 2019, more than 18,600 members responded to a survey about how we can further improve their experience. We were delighted with the range of different members who responded, and over the coming year will implement more than 90 recommendations to improve Legion membership.

## IMPROVING THE MEMBERSHIP EXPERIENCE

This year, we worked to improve the service our members receive when renewing or making changes to their membership. By improving the quality of our data and introducing new service-level agreements, we will be able to deliver better customer service to members, especially during our main renewal period.

We have continued to engage with our members via our regional Membership Meet-Ups, which saw a 63 per cent increase in attendance last year and received overwhelmingly positive feedback from those who attended. Our monthly membership e-newsletter has seen a 10 per cent increase in subscriptions and we have launched a new quarterly Club Connect bulletin to share news, policy and stories with The Royal British Legion clubs.

For those members involved in running our large network of branches, we created a new Membership Handbook, which contains all the information branch officials need to effectively run their branch. The handbook was launched alongside the updated Royal Charter in January 2020.

## CREATING NEW OPTIONS FOR MEMBERS

We encourage our members to make the Legion their own by creating branches that reflect their interests and identities. In late 2018, a group of ex-Service personnel formed a new LGBTQ+ and Allies branch, which has gone from strength to strength since its inception, thanks in large part to promotion of the branch on social media.

In order to make Legion membership more accessible, and to meet the demand of members wishing to communicate online, we are speaking to current and potential members about new digital member services that interest them. We will then prepare proposals for new digital options for membership, which will build on the successes of the past year. These include: increased use of our membership portal (O365), which is now used by 2,150 branches; an active member community on Yammer; and an increase in online Annual Conference applications.

## REVIEW OF MEMBERSHIP TRAINING

We are constantly seeking to improve the training our members receive. This year, we conducted a review of our member training, alongside the Membership Council, County Training Officers, County Chairmen, Membership Support Officers and many others. This has helped identify the courses that need updating and the gaps in our current training. In addition, the review highlighted the popularity of online courses and home learning as alternative methods of study. We also introduced General Data Protection Regulation (GDPR) and Safeguarding training for members this year.

## AIMS FOR 2020

- Implement the improvements identified in the membership survey
- Review our membership governance arrangements and ensure that they are aligned to those of the wider Legion
- Implement the findings from our review of membership training and launch a new training prospectus
- Streamline the membership renewals process and reduce card distribution times
- Introduce a membership welcome pack for new joiners
- Finally, we pledge to improve how we use social media to promote membership

Dawn Sperduti  
is an Area Officer,  
member and  
volunteer



**VOLUNTEERING**

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# VOLUNTEERING

**“It offers me an opportunity to give something back to the Armed Forces community. I get great satisfaction from helping people, whatever the query or problem, and enjoy the comradeship of being part of a team.”**

**– A Legion volunteer**

As one of the most trusted charity brands in the UK, our aim is to become a national leader in volunteering. More than 120,000 dedicated and committed volunteers contribute an estimated 2.5 million hours of hard work each year, helping to provide support or fundraising for the Armed Forces community.

How we support our volunteers is just as important as how they support us. Our goals for 2019 were to review the volunteer journey to make volunteering with the Legion a more enjoyable experience. We aimed to set up a volunteer-engagement group to gain feedback and build on findings from the annual volunteer survey. We promised to improve training, so that our volunteers and line managers have the confidence and skills they need to carry out their roles. We also planned to evolve our Excellence in Volunteer Management programme (EVM) and to improve the quality of our data and briefing information. Finally, we pledged to improve the quality of life of residents in our Care Homes and dementia wings by creating new volunteer roles and enhancing our Care Home volunteer training.

## SUPPORTING OUR VOLUNTEERS

Our 2018 Volunteer Engagement survey reported that 97 per cent of respondents felt proud to volunteer for the Legion and 86 per cent would

recommend volunteering for the Legion to family and friends. However, only 56 per cent of our volunteers felt the Legion provided them with effective support. So, in 2019, we enhanced our Excellence in Volunteer Management programme to help our volunteer supervisors to provide better support. The programme includes induction days for new employees with responsibility for supervising volunteers and an online Volunteer Management Toolkit. We also launched a new Volunteer Voice Group, bringing together representatives from all major volunteer roles in the Legion to gain feedback on issues that affect them.

We introduced workshops for all supervisors of volunteers, covering volunteer recruitment, supervision and support. So far, we've held 21 days of training, with 92 supervisors attending one of these workshops. The programme is paying off already: post-course feedback shows supervisors' confidence in managing volunteers is up from 60 per cent to 86 per cent. We updated and improved the volunteering section of our website, making it easier to navigate and understand our volunteering offer.

We recognise that volunteers need to feel confident if they're to perform at their best. To build this confidence, we enhanced our Essential Learning programme for new volunteers and launched new training for our Community Support volunteers. We updated our caseworker training and launched new annual refresher training for all relevant roles. As part of our promise to improve the quality of life in our Care Homes and dementia wings, we enhanced the skills of our Care Home volunteers by launching an induction pack that included dementia awareness and bereavement care guidance.

In 2019, we launched our Mass Events volunteering opportunities

programme, allowing members of the public to volunteer to help the Legion during large-scale events. More than 200 volunteers have ensured our supporters have an enjoyable experience at marathons, abseils, dinners and concerts. Other new volunteer roles included Military Kids Club Heroes, Dementia Group volunteers and Outreach Support volunteers.

## AIMS FOR 2020

- Extend the reach of our supervisor training, ensuring that all staff who supervise volunteers have the skills they need
- Improve our Excellence in Volunteer Management programme, using technology to explore new ways of developing our volunteer supervisors
- Review volunteer wellbeing and ensure that we are addressing both the physical and mental wellbeing of our volunteers
- Develop a suite of reward and recognition tools to enable supervisors to thank their volunteers in a meaningful way
- Improve how we manage our volunteer data to ensure we are able to maximise the experience of our volunteers

Children participating  
in a Poppy Run



**FUNDRAISING**

# FUNDRAISING



A Poppy Appeal volunteer from the First Aid Nursing Yeomanry (Princess Royal's Volunteer Corps), during the 2019 Appeal

**Our fundraising portfolio** is wide-reaching and varied. It includes the annual Poppy Appeal, Poppy Runs and Poppy Shop, as well as initiatives from our corporate partners. Our members and volunteers, along with people from other organisations and corporate partners, contribute to much of our fundraising work. We feel very lucky to have their loyal support.

In 2019, we raised £124.3 million (2018 - £120.1 million) from voluntary income and trading activities, which was 4 per cent more than last year. This was mainly thanks to the 2018 Poppy Appeal, which commemorated the 100th anniversary of the end of the First World War, together with our Thank You campaign.

We had several goals for 2019. We wanted to deliver a best-in-class supporter experience and become more efficient, while ensuring we complied with fundraising regulation. We promised to conduct an end-to-end review of our Community and Mass Events portfolios and to develop a long-term strategy for Individual Giving. We set out to review our digital fundraising, upskilling our teams and developing appropriate platforms and technology. We pledged to review our Poppy Appeal and Community Fundraising activity and make changes to safeguard these activities, whilst exploring opportunities to increase future returns. We said we would review our Poppy Shop activity to better define its purpose and centralise

product purchasing. We would develop new products to engage with new audiences and improve our approach to working with our key suppliers.

## **2018 POPPY APPEAL**

The 2018 Poppy Appeal raised nearly £55 million, the largest amount in our history. This was accomplished through the Thank You campaign, with around 500 community events taking place across the country.

The Poppy Appeal and other fundraising projects succeed thanks to the generous help we receive. Our role is to work closely with volunteers, partners and supporters to organise this activity. In total, we distributed roughly 40 million poppies, 7 million pin

badges and 27,000 school packs. We continued to expand our use of contactless technology and, building on the success of the 2018 appeal, started our review of Poppy Appeal and Community Fundraising activities.

### CORPORATE PARTNERSHIPS

Our corporate partners played a pivotal role in the success of the Thank You movement, which culminated in November 2018. Thank You messages lined the entrances of Marks & Spencer high-street stores and raised more than £1.2 million from an expanded range of poppy products. Coventry Building Society donated more than £1.1 million from Poppy Bond balances and commemorated Coventry's fallen at the city's train station. Sainsbury's and its suppliers gave donations from the sale of heritage brands, alongside helping the Legion to raise more than £3 million for the Poppy Appeal. Funeral directors and their families at Golden Charter shared poignant wartime stories.

In 2019, we marked 15 years of our partnership with The Westminster Collection, reaching a £1 million milestone. To commemorate the

occasion, they produced a special Thank You coin, which was used to kick off Premier League fixtures dedicated to Remembrance.

In 2019, we also launched exciting new partnerships with the Scouts and Girlguiding, promoting our Remembrance message to more than a million young people through a range of dual-branded poppy merchandise. Another new partner, Pets At Home, raised more than £250,000 from its range of poppy-themed accessories for our supporters' cats and dogs. Once again, we thank all of our corporate partners. Without their help, we couldn't continue to provide the wide range of support services our Armed Forces community needs and deserves.

### INDIVIDUAL GIVING

We completed our review of Individual Giving and the team was restructured in the autumn of 2018. In 2019, we commemorated the end of the First World War with a special Thank You edition of Poppy Press, our supporter newsletter. The newsletter went down well with our supporters, who kindly donated more than £600,000 in response to this very special appeal.

Legacy income is critically important to the Legion. There were 898 generous individuals who left us more than £21 million in their legacies this year. We are also immensely grateful to the 2,500-plus people who let us know that they would be leaving a gift in their Will to the Legion.

**THE 2018  
POPPY APPEAL  
RAISED NEARLY  
£55 MILLION. WE  
DISTRIBUTED 40  
MILLION POPPIES  
AND 7 MILLION  
PIN BADGES**



Poppy Appeal volunteers

# FUNDRAISING



Cyclists on the 4-day Pedal to Paris cycle event

## MASS EVENTS

Our Poppy Run initiative enjoyed a record year, raising £250,000 across ten different 5k fun run events. There was also a virtual My Poppy Run for those who could not make one of the events in person. We successfully piloted our first Poppy Ride event, attracting 140 cyclists to bike between the Legion's Battle Back Centre and the National Memorial Arboretum. This, we hope, will become a major addition to our existing cycling portfolio. We concluded a review of our events portfolio across Community Fundraising and Mass Events, which resulted in us stopping some events.

## PHILANTHROPY

In 2019, we established a new Philanthropy team, who manage our

relationships with Major Donors, Trusts and Foundations. We started to develop a new donor-focused strategy for philanthropic fundraising. Our highlight of the year was an £800,000 grant from a Trust, given anonymously, which has made a huge difference to our work and the members of the Armed Forces community that work supports.

## POPPY SHOP

In 2019, the Poppy Shop generated turnover of £5.4 million and a profit of £532,000, a 50 per cent increase on 2018's profit. This comprised sales of £4.74 million via the website and a further £660,000 of income through Amazon. This was less than last year's turnover due to a change in product mix, which saw an increase in pins and a

reduction in more expensive brooches and hero products.

Our product development team worked with the Thank You campaign team to launch several new products. These included the Women of The First World War brooch, to commemorate the vital role that women played in this conflict. We also expanded our range of watches and smart wear, along with our range commemorating D-Day 75.

As promised in last year's report, we reviewed our merchandising strategy and set up a new team responsible for quality assurance, procurement and buying merchandise across the Legion.

## AIMS FOR 2020

- Complete the review of our fundraising strategy and implement its recommendations
- Commemorate the 75th anniversary 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
- Improve our data to better monitor the efficacy of our fundraising
- Review our product and media portfolios, ensuring that each of our products generates sustainable, cost-effective income for the Legion
- Enhance the supporter experience to drive repeat participation
- Improve how we communicate with our supporters so that we become more audience focused
- Develop our corporate partnerships outside of the Poppy Appeal
- Complete the review of the Poppy Appeal and Community Fundraising and develop a plan to implement the recommendations, whilst adjusting our planned activity in light of the Covid-19 pandemic

## RESPONSIBLE FUNDRAISING

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

- **Accountability** Our own and third-party fundraisers are required to ensure that their fundraising is delivered to the Fundraising Regulator's standards. We will only work with third parties who share this commitment.
- **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 and their privacy. We continue to fundraise to a high standard and make use of both the Mailing and Fundraising Preference Services.

The Legion is registered with the Fundraising Regulator, Gambling Commission and Data & Marketing Association, and is a member of the Institute of Fundraising. We always aim to comply with the Code of Fundraising Practice and we make appropriate use of the Fundraising Regulator logo on our fundraising materials. Our Fundraising Promise is published on our website and included as part of our inductions for new fundraising staff. We strive to comply with the commitments we have made.

We took steps to ensure compliance with UK data-protection legislation. During 2019, we ran further data-protection exercises, refreshed fundraising staff knowledge through online data-protection training, updated our approach to fundraising research and reviewed our field-based procedures to support our volunteers. Our Privacy Promise has been updated

on our website and we have introduced a new Preference Centre to give supporters full control of the communications they receive. We continue to try hard to ensure that our fundraising is not unreasonably intrusive or persistent and does not put anyone under undue pressure to donate. All mass supporter communications are checked for compliance before they go to print and we continue to invest in ways to ensure we are not overcommunicating with our supporters.

We recognise that we have an obligation to protect those who may be in vulnerable circumstances. 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. During 2019, we further strengthened the links between fundraising and the Legion's safeguarding rules, including ensuring our fundraising staff received refreshed safeguarding-awareness training and updating our responsible gambling procedures.

We always aim to provide our supporters with a positive experience. We also recognise that fundraising activity sometimes generates complaints and so we ensure that we learn from these. During 2019, we trained our fundraising staff in how to recognise, handle and record fundraising

complaints: 471 were received relating to fundraising activity. We monitored complaint trends during the year and addressed these through improvement projects. We identified 80 complaints relating to our communications scheduling, 17 per cent of our total. We built this feedback into a project to improve our approach to planning communications, set to be completed in 2021.

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. The Royal British Legion has written agreements in place with all of our third-party fundraising partners. All commercial third parties are subject to due diligence at the procurement stage and ongoing monitoring by the Legion's own fundraising staff and external agencies, such as the Institute of Fundraising. This ensures they are acting in line with the regulatory requirements and our own organisational values. We conduct ongoing monitoring of external agencies, which consists of mystery shopping, shadowing, call monitoring and training. The level of monitoring and training is proportionate to each agency's performance and is determined during weekly status calls and quarterly review meetings.

**WE SET OUT TO TREAT ALL MEMBERS OF THE PUBLIC FAIRLY. WE ALWAYS AIM TO PROVIDE OUR SUPPORTERS WITH A POSITIVE EXPERIENCE**

# BOARD OF TRUSTEES



**LIEUTENANT GENERAL  
JAMES BASHALL CB CBE  
National President  
(from May 2019)**

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. James was appointed as the National President in May 2019.



**AIR MARSHAL  
DAVID WALKER CB CBE AFC  
National President  
(to May 2019)**

David joined the RAF in 1978, completing tours in Germany, the US and the UK before becoming the Military Assistant to the Minister of Defence. He was appointed Assistant Chief of the Air Staff in 2003. He became Deputy Commander of the NATO Joint Force Command before retiring from the RAF in 2013. David completed his term as National President in May 2019.



**UNA CLEMINSON BEM TD  
National Chairman  
(from May 2019)**

Una was elected as National Chairman in May 2019. She retired as a registered General Nurse in 2012 and was a Major in the Territorial Army. Una has been a member of the Legion since 1971 and was previously a trustee between 2010 and 2012.



**TERRY WHITTLES  
National Chairman  
(to May 2019)**

Terry joined the Army in 1966 and served as a Linguist in the Intelligence Corps. Terry retired from the Regular Army in 1981 with the rank of Warrant Officer; he then served in the Territorial Army for 12 years before retiring with the rank of Major. Terry completed his term as National Chairman in May 2019.



**LIEUTENANT COLONEL  
JOE FALZON OSJ BEM (Retd)  
National Vice-Chairman  
(from September 2019)**

Joe was elected as a Trustee in 2014 and re-elected in 2017. He joined the Army in 1963, retiring in 2001. He served as the Legion's Head of Governance & Administration from 2001 until 2010. Joe is Chairman of the Property Committee and the International Committee and a member of the Governance Committee, Branch Property Trusts Trustee Committee and the Board of Trustees of Poppyscotland.



**LIEUTENANT COLONEL  
COLIN KEMP (Retd)  
National Vice-Chairman  
(to August 2019)**

Colin was elected as a Trustee in 2014 and re-elected in 2017. He joined the Army as an Apprentice in 1965 and retired in 2001 with the rank of Lieutenant Colonel, primarily in the finance and administration fields. Colin resigned from the Board of Trustees in August 2019.



**RODNEY BEDFORD**

Rod served for 19 years in the Grenadier Guards, and then for 18 years in the Kent Police. Rod 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 currently serves on 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.



**ELIZABETH HARRISON  
(from January 2020)**

Liz was elected as Chairman of the Women's Section in January 2020. Liz takes her seat on the Board of Trustees as the Chairman of the Women's Section in accordance with the Rules contained in the Royal Charter.



**PAT CHRIMES**  
(to January 2020)

Pat served on the Board of Trustees as Chairman of the Women's Section between April 2017 and January 2020.



**JASON COWARD**

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



**DENISE EDGAR**

Denise joined the Board of Trustees in 2010, and was re-elected in 2014 and 2017. Denise is a member of the Property Committee and the Branch Property Trusts Trustee Committee.



**PAUL HARRIS QGM**

Paul served for 32 years as an Army Officer, retiring in 2006 with the rank of Lieutenant Colonel. He worked with an international company and then owned a management consultancy. He has since retired. Paul is a member of the Governance Committee, Vice Chairman of the Membership Council and serves on the Board of Trustees at the NMA.



**MAJOR GENERAL**  
**DAVID JOLLIFFE CB FRCP**

David was appointed as a Trustee in 2012 and reappointed in 2015 and 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**

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. He is a member of the Finance Committee and the Property Committee and Chairman of the Board of Trustees of Poppyscotland.



**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 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 RAF Nursing Service for 30 years, the last four as Chairman of the Princess Mary's RAF Trust. Anny chairs the Conference Committee and is a member of the Branch Property Trusts Trustee Committee and the Audit & Risk Committee.



**LIEUTENANT COLONEL**  
**DAVID WHIMPENY (Retd)**

David was elected as a Trustee in 2013 and re-elected in 2016. He was commissioned from the Royal Military Academy Sandhurst in 1985 and retired from the Army in 2017. He works as a Programme Management Consultant. 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, and leads for the Board on care and safeguarding.



**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**  
(from May 2019)

Lynda was co-opted on to the Board in May 2019. She served in the Royal Air Force and then in the Royal Electrical and Mechanical Engineers TA. Lynda served as an independent County Councillor before being appointed Deputy Lieutenant in 2019. Lynda is a member of the Finance & Property Committees.

# BOARD OF TRUSTEES

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## 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 committees on which they sit:

David Bennett Rees FIA  
Dr Jonathan Wittmann  
Jenny Rowe

## National President

Lieutenant General  
James Bashall CB CBE

## National Chaplain

The Right Reverend James Newcome DL

## 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)  
Anthony Macaulay  
Lynda Atkins  
Elizabeth Butler  
David Bennett Rees  
Dr Jonathan Wittmann

### Governance Committee

Una Cleminson (Chairman)  
Jason Coward  
Joe Falzon  
Paul Harris  
David Whimpenny

### Property Committee

Joe Falzon (Chairman)  
Anthony Macaulay  
Denise Edgar  
Lynda Atkins

### Conference Committee

Anny Reid (Chairman)  
Sue Kelly  
Hugh Ashton-Moore  
Philip Davies  
John Morrison  
John Gilmore

## Branch Property Trusts Trustee Committee

Jenny Rowe (Chairman)  
Rodney Bedford  
Denise Edgar  
Joe Falzon  
Anny Reid

## International Committee

Joe Falzon (Chairman)  
Rodney Bedford  
Bob Chambers

## Membership Council

Jason Coward (Chairman)  
Paul Harris (Vice-Chairman)  
Gordon Barker  
Mike Barry  
John Boisson  
Bob Chambers  
John Clark  
Emma Cox  
Philip Davies  
Dilys Hooper  
Pete Hopkins  
Ralph Howard-Williams  
Harold Jennings  
Garry Mills  
John Morrison  
Gerry Nunn  
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 & Marketing**

Gary Ryan

**Director of Human Resources & Organisational Development**

Sue Donaldson (to February 2020)

Karen Gill (from February 2020)

**Director of Membership & Volunteering**

Emma Cannings (to July 2019)

**CONSULTANTS AND ADVISORS****Bankers**

Lloyds Bank

Charities

4th Floor

25 Gresham Street

London EC2V 7HN

**Independent Auditors**

Deloitte LLP

Hill House

1 Little New Street

London EC4A 3TR

**Investment Managers**

Cazenove Capital

Management Limited

1 London Wall Place

London EC2Y 5AU

**Legal Advisors**

Withers

20 Old Bailey

London EC4M 7AN

**WOMEN'S SECTION****President**

HRH The Princess Royal

**Chairman**

Elizabeth Harrison

**Vice Chairman**

Jennie Bailey

**Chair of Finance**

Sandra Fishlock

**Central Committee**

Pat Ayres MBE

Jan Buxton

Margaret Cook

Sandra Fishlock

Sandra Saban

Pat Holden

Sue Shephard Stainton

**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

**Total income for the year** was £175.9 million, compared with £163.2 million in 2018. The £12.7 million (7.8 per cent) increase in our income reflects unprecedented public support for the November 2018 Poppy Appeal, which reached nearly £55 million, driven in large part by the commemorations to mark the centenary of the end of the First World War. Income from charitable activities also increased due to government grants received to fund commemorative events and the Veterans Medical Fund, which provides specialist equipment to veterans with healthcare needs attributed to Service.

Total expenditure was £181.7 million, compared with £165.3 million in 2018, an increase of £16.4 million (10 per cent). The largest increase was in community welfare (£6.8 million increase), reflecting the trend of people coming to us with ever more complex needs, resulting in a £3.7 million increase in the cost of grants to individuals. The value of grants given to other organisations also increased, and included a £1.6 million grant to Combat Stress and a £4.6 million increase in the grant to the Officers' Association, driven by changes to the grant agreement, which led to a multi-year grant commitment being recorded in 2019.

Expenditure on Remembrance and ceremonial activities increased by £5.4 million, reflecting the cost of the programme of events to commemorate the centenary of the end of the First World War, including D-Day 75 and the events at Portsmouth, Bayeux and the National Memorial Arboretum.

Overall, The Royal British Legion generated a planned deficit before gains and losses of £5.8 million (2018: £2.1 million). This was offset by

realised and unrealised gains on investments of £13.5 million (2018: £13.5 million), reflecting profits on disposal and increases in the market value of our investments and investment properties. The deficit on the Group defined-benefit pension schemes increased by £1.5 million (2018: £2.5 million decrease) due to changes in the assumptions used by the actuaries, most notably a reduction in the discount rate used to value future pension liabilities. After these adjustments, the total value of the Legion's funds increased by £6.2 million (2018: £13.9 million).

Restricted funds increased by £1 million and unrestricted funds increased by £5.2 million. Of this increase to unrestricted funds, £3.5 million represents an increase in our functional fixed assets reserves. Available, unrestricted funds decreased from £67.7 million to £66.7 million. Unrestricted funds will reduce over the coming years as we invest in those services that have the biggest impact on the lives of those we support.

## FINANCIAL INVESTMENTS

The market value of The Royal British Legion's investment portfolio increased by £9.7 million during the year. At the year-end, the total value of the Group's investments was £165.9 million (2018: £156.2 million). The portfolio is managed through three investment managers; Cazenove Capital manage the charity's main investment portfolio, Sarasin & Partners manage Poppyscotland's investments and CCLA manage branch-related investments, including those held in legacy and property trusts.

The mandates agreed with Cazenove Capital and Sarasin & Partners 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 Legion's ethical policy which is one of 'Responsible Investment'. Investment managers engage with companies on social, environmental and business ethics issues and to exercise the Legion's voting rights, following the policy.

### CAZENOVE CAPITAL

The mandate agreed with Cazenove Capital for the year ended 30 September 2019 was to achieve a rate of return in excess of CPI+3 per cent over the medium term. The Cazenove Capital portfolio outperformed the 2019 mandate due to strong equity markets. The value of the portfolio increased to £136.1 million (2018: £129.2 million) over the year and generated £2.3 million (2018: £2.6 million) of investment income.

### SARASIN & PARTNERS

During the year to 30 September 2019, the Poppyscotland portfolio increased its value from £10.6 million to £11.1 million and generated £0.4 million (2018: £0.4 million) of investment income, equivalent to 5 per cent on a total return basis. The mandate agreed with the investment manager is to achieve a rate of return in excess of RPI+2 per cent over the medium to long term.

### CHARITIES OFFICIAL INVESTMENT FUND (COIF) WITH CCLA

Branch, County and other investments of £9.8 million (2018: £9.6 million) are held in a mix of listed investments and unit trusts.

After the year-end, the Legion's investment portfolio was adversely affected by the economic impact of Covid-19 – see 'Covid-19 and going concern' section on page 44 for further details.

## PENSION

The pension deficit has increased from £4.1 million to £6.6 million, primarily due to a reduction in the discount rate used to calculate the present value of future pension liabilities. This follows a £2.1 million reduction in the deficit in the previous year and highlights the sensitivity of the calculations to relatively small changes in underlying assumptions. 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 Legion's ability to meet its charitable objectives in the future.

## FUNDS & RESERVES

The Royal British Legion's total funds of £372 million (2018: £366 million) represent the value of the assets used by the charity to deliver its charitable objectives, including its Care Homes, offices, branch properties and the National Memorial Arboretum. The charity's funds are explained in more detail on page 7; they include £66.7 million (2018: £67.7 million – restated) of liquid and immediately available unrestricted reserves. It should be noted the definition of 'available reserves' used by RBL has been amended to include the pension reserve in 2019.

In common with other charities, the Legion holds 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 Legion 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 and the challenges in recruiting and retaining suitably qualified and experienced staff. Finally, our reserves 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.

During the year to 30 September 2019, the trustees reviewed the Legion's reserves policy in the context of these risks and agreed that the Legion should seek to hold reserves of approximately £55 million. As noted above, at 30 September 2019, the Legion was holding reserves of £66.7 million (2018: £67.7 million). The emergence and spread of Covid-19 in early 2020 has led to significant financial challenges for the charity sector. Our reserves will enable the Legion to adapt to meet these challenges and ensure that we can continue to provide services to those we support in a time of economic uncertainty.

## INVESTMENT PROPERTIES

Investment properties primarily comprise 310 properties (2018: 330) 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 Legion branches also have part-time use of the property under the terms of the lease.

The Legion'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. For the year to 30 September 2019, 82 properties were externally revalued (2018: 59) and a revaluation gain of £2.35 million (2018: £3 million) was recorded in the accounts. The remaining 80 per cent of investment properties were reviewed internally by a qualified surveyor and revaluation losses of £8,000 (2018: gains of £4.1 million) were recorded. During the year, the Legion disposed of 23 (2018: 22) investment properties realising proceeds of £7.5 million (2018: £4.9 million).

In 2017, 35 properties with a value of £3.2 million were removed from the Legion's accounts. These were properties held in the name of the Legion where the branch committee was the managing trustee and had the legal responsibility for the administration of the property. During 2019, nine (2018: seven) of these properties were brought back into the accounts following a decision by the respective branch committees to transfer the trusteeship to the Legion.

## 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 a branch of The Royal British Legion. Its charitable purposes are usually restricted to a specific geographical area.

	2019	2018
Restricted Investment Property Reserve	£65.0m	£66.7m
Restricted Branch Property Trust Fund	£46.9m	£45.8m
Number of properties	310	330

At 30 September 2019, the Legion held £65.0 million (2018: £66.7 million) (see note 29) in the restricted investment property reserve, representing the market value of 310 (2018: 330) properties predominantly held under Branch Property Trusts. In addition, £46.9 million (2018: £45.8 million) was held in restricted Branch Property Trust funds comprising sale proceeds, interest and other income, from the properties previously held in trust.

The Legion 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 30 Branch Property Trusts, resulting in £2.1 million (2018: £0.7 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 Legion's corporate strategy. During the year to 30 September 2019, £1.8 million (2018: £3.1 million) of direct charitable expenditure was funded from the Area Trust Funds, including the cost of providing Admiral Nurse services, war pensions advice and grants made to local charities providing services to Legion beneficiaries in these areas, together with a contribution towards the cost of the hub and dementia unit extension at Galanos House.

## 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 £5.0 million at the year-end (2018: £5.6 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 2019, The Royal British Legion spent £15.9 million on individual grants (2018: £12.2 million). In both volume and value, 'mobility'-

related grants, such as riser-recliner chairs and powered scooters, were most common. The Legion also awards grants to households whose case is managed by a partner agency, such as SSAFA or the Royal Air Forces Association.

The grant of £6.7 million made to the Officers' Association (OA) is a contractual commitment. The grant funds the charitable activities of the Officers' Association. Other grants are made to organisations where a third party has skills or facilities that are unavailable within the Legion's own resources. The Legion 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 Legion beneficiaries.

In 2019, excluding the OA, grants were awarded to 52 organisations, totalling £5.9 million (2018: 136 organisations, £7.4 million).

## COVID-19 AND GOING CONCERN

The trustees have considered the potential impact of the significant control measures enacted by the UK Government to fight the Covid-19 virus 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 most significant areas of financial impact across the Group are:

- Fundraising – income from individual supporters will likely decline due to the cancellation of fundraising events, pressure on household finances and challenging conditions in the property and investment markets impacting legacy income. Donations and trading income at the National Memorial Arboretum will likely decline as public access to the site is restricted.
- Investments – the market value of the Group's investments stood at £166 million at 30 September 2019. Of this, the Cazenove portfolio accounted for £132 million. Following a period of intense stock market volatility, the value of the Cazenove portfolio stood at £123 million on 30 April 2020. The length of time control measures remain in place and the resulting economic impact will determine the speed at which investment values recover.
- Pension deficit – the defined-benefit pension deficits of the Group stood at £6.6 million at 30 September 2019. Whilst the deficit is likely to increase, a reliable estimate of the impact cannot be made at this time. The triennial valuation of the schemes is due to take place as at 1 April 2020. It should be noted that the pension deficit is a long-term liability, which will crystallise over a number of years.

We have forecast our income, expenditure, gains and losses for the financial years ending 30 September 2020 and 2021 using two scenarios. Our more pessimistic scenario assumes that Poppy Appeal 2020 is significantly affected, overall fundraising income reduces by 30 per cent and investment values continue to decline to 30 September 2021, losing one third of their 30 September 2019 value.

At the start of the pandemic, the Legion had a strong and liquid balance sheet and our analysis shows that the Legion would remain a going concern in the scenario described above. Furthermore, the Legion 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 Royal British Legion'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 Audit & Risk Committee, which is chaired by a trustee, scrutinises the management of risk and ensures that recommendations are acted upon.

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 below, 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 Legion provides regulated and non-regulated activities that involve interaction with vulnerable adults and can often involve children. Our staff, volunteers and members

Risk	Mitigation
<p><b>Covid-19 Pandemic</b> 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</li> <li>• Agile governance arrangements, enabling quick and effective decision making</li> </ul>
<p><b>Financial Sustainability</b> Inability to deliver our mission and look after those we support because of the financial position of the Legion</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> A beneficiary, volunteer or employee suffers harm, abuse or neglect</p>	<ul style="list-style-type: none"> <li>• Independently chaired Safeguarding Forum meets regularly throughout 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> 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>• Internal audit of governance arrangements</li> <li>• Trustees are appointed to fill specific skills gaps</li> </ul>
<p><b>Sector Relationships</b> 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>

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 Legion 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 Legion 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 Legion delivers Level 1 safeguarding training to all staff and volunteers. 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 and will work with suppliers to ensure compliance with the Modern Slavery Act 2015. Our anti-slavery and human

trafficking statement is published on our website.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

The Royal British Legion has a head office in London, where the Director General and the supporting Board of five Executive Directors are based. There is a network of offices in England, Northern Ireland, Scotland and Wales that provides facilities for beneficiaries, members, volunteers and staff. Care Home services are delivered through the Legion'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 Legion'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 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 Her Majesty 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 Legion'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. New 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 pilgrimages 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.

Two 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; and
- Audit and Risk Committee – reviews the significant judgements made in the accounts before board approval.

It assures the board on the effectiveness of internal controls, provides for regular communication between the trustees and the external and internal auditors, monitors risk-management procedures, and approves the internal audit programme.

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 Legion as part of the World Veterans' Federation and advises the Board of Trustees on matters related to the Legion'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;
- 13 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-Servicemen, women 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-Servicemen and women;
- 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-Servicemen and women 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 Legion. The results of these companies are therefore not included in the consolidated accounts of the Legion.

## 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 Legion representatives in their local community.

Branches report into 53 Section, County and District committees, which consist entirely of volunteers. The Legion 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-Service women; wives, widows and widowers of ex-Service personnel; and their children.

Many members of the Legion belong to one of the 405 clubs (2018: 417) that use the Legion's name under licence but are independent entities; therefore, their financial results are not included in these accounts. There are 227 clubs (2018: 238) that occupy premises owned by the Legion and leased to the club.

The Legion 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 Legion activities, from casework and fundraising to improving the quality of life of our Care Home residents. The Legion has more than 120,000 volunteers contributing an estimated 2.5 million hours each year. This is potentially worth £18 million a year to the charity. More than half of our volunteers undertake more than one volunteer role in the Legion.

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 FRS102 "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 that 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 and financial information included on 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 8 to 49), for and on behalf of the trustees

*Una Cleminson*

Una Cleminson, National Chairman  
15 May 2020

# 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 30 September 2019 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.

### 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

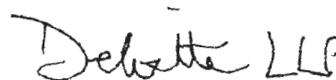
statements is inconsistent in any material respect with the trustees' report; or

- 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  
London, United Kingdom  
15 May 2020

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.

# FINANCIALS

## The Royal British Legion

### Consolidated Statement of Financial Activities for the year ended 30 September 2019

	Note	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Total 2018 £'000
<b>Income and endowments from</b>					
Donations and legacies	4	93,801	7,516	101,317	96,569
Charitable activities	5	21,809	22,806	44,615	36,453
Other trading activities	6	20,183	2,756	22,939	23,536
Investments	7	2,719	3,902	6,621	6,146
Other		-	391	391	474
<b>Total income</b>		<b>138,512</b>	<b>37,371</b>	<b>175,883</b>	163,178
<b>Expenditure on</b>					
<b>Raising funds</b>	8	<b>36,867</b>	<b>6,624</b>	<b>43,491</b>	41,726
<b>Charitable activities</b>					
Care	9	34,061	690	34,751	33,260
Personnel Recovery Centres	9	2,394	102	2,496	2,321
Community Welfare	9	46,727	16,997	63,724	56,939
Membership	9	7,900	1,118	9,018	8,525
Comradeship	9	595	-	595	538
Communications and campaigning	9	12,806	-	12,806	12,605
Remembrance and ceremonial	9	2,258	12,544	14,802	9,379
<b>Total charitable activities</b>	9	<b>106,741</b>	<b>31,451</b>	<b>138,192</b>	123,567
<b>Total expenditure</b>		<b>143,608</b>	<b>38,075</b>	<b>181,683</b>	165,293
<b>Net expenditure before investment gains</b>		<b>(5,096)</b>	<b>(704)</b>	<b>(5,800)</b>	(2,115)
Net gains on disposal of investments		1,094	2,791	3,885	2,352
Unrealised gains on revaluation of investments		4,669	4,899	9,568	11,162
<b>Net income before tax</b>		<b>667</b>	<b>6,986</b>	<b>7,653</b>	11,399
Taxation credit	11	2	-	2	-
<b>Net income for the year</b>		<b>669</b>	<b>6,986</b>	<b>7,655</b>	11,399
Transfers between funds	30	5,963	(5,963)	-	-
<b>Other recognised (losses)/gains</b>					
Actuarial gains on defined-benefit pension schemes	16a	(1,446)	(41)	(1,487)	2,457
<b>Net movement in funds</b>		<b>5,186</b>	<b>982</b>	<b>6,168</b>	13,856
Fund balances brought forward at 1 October		183,648	181,992	365,640	351,784
<b>Fund balances carried forward at 30 September</b>		<b>188,834</b>	<b>182,974</b>	<b>371,808</b>	365,640

The notes on pages 56 to 82 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.

## The Royal British Legion

### Charity Statement of Financial Activities for the year ended 30 September 2019

	Note	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total 2019 £'000	Total 2018 £'000
<b>Income and endowments from</b>					
Donations and legacies	4	96,883	1,839	98,722	96,426
Charitable activities	5	24,185	19,437	43,622	34,005
Other trading activities	6	5,273	11	5,284	6,123
Investments	7	2,719	3,432	6,151	5,747
Other		-	356	356	398
<b>Total income</b>		<b>129,060</b>	<b>25,075</b>	<b>154,135</b>	142,699
<b>Expenditure on</b>					
<b>Raising funds</b>	8	<b>28,121</b>	<b>17</b>	<b>28,138</b>	29,408
<b>Charitable activities</b>					
Care	9	34,061	690	34,751	33,260
Personnel Recovery Centres	9	2,394	102	2,496	2,321
Community Welfare	9	48,938	12,044	60,982	60,428
Membership	9	7,900	1,054	8,954	8,480
Comradeship	9	595	-	595	538
Communications and campaigning	9	12,806	-	12,806	12,236
Remembrance and ceremonial	9	2,258	8,879	11,137	5,612
<b>Total charitable activities</b>	9	<b>108,952</b>	<b>22,769</b>	<b>131,721</b>	122,875
<b>Total expenditure</b>		<b>137,073</b>	<b>22,786</b>	<b>159,859</b>	152,283
<b>Net (expenditure)/income before investment gains</b>		<b>(8,013)</b>	<b>2,289</b>	<b>(5,724)</b>	(9,584)
Net gains on disposal of investments		1,094	2,791	3,885	2,347
Unrealised gains on revaluation of investments		4,669	4,414	9,083	11,210
<b>Net (expenditure)/income for the year</b>		<b>(2,250)</b>	<b>9,494</b>	<b>7,244</b>	3,973
Transfers between funds	30	8,270	(8,270)	-	-
Transfer to newly incorporated subsidiary	14	-	-	-	-
<b>Other recognised (losses)/gains</b>					
Actuarial gains on defined-benefit pension scheme	16a	(1,446)	-	(1,446)	2,266
<b>Net movement in funds</b>		<b>4,574</b>	<b>1,224</b>	<b>5,798</b>	6,239
Fund balances brought forward at 1 October		180,530	142,581	323,111	316,872
<b>Fund balances carried forward at 30 September</b>		<b>185,104</b>	<b>143,805</b>	<b>328,909</b>	323,111

The notes on pages 56 to 82 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.

## The Royal British Legion

### Consolidated and Charity Balance Sheets as at 30 September 2019

	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Fixed assets</b>					
Intangible assets	17	4,192	3,665	4,192	3,665
Tangible assets	18	98,188	94,792	75,960	73,031
Investments	19	165,895	156,195	152,574	144,232
Investment properties	20	65,019	66,682	65,019	66,682
Programme-related investments	21	5,008	5,588	5,008	5,611
<b>Total fixed assets</b>		<b>338,302</b>	<b>326,922</b>	<b>302,753</b>	<b>293,221</b>
<b>Current assets</b>					
Stocks		2,393	1,703	-	-
Debtors	22	16,729	15,116	18,041	17,790
Cash at hand and in bank	23	59,231	67,753	48,014	53,613
<b>Total current assets</b>		<b>78,353</b>	<b>84,572</b>	<b>66,055</b>	<b>71,403</b>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	24	(32,519)	(31,467)	(29,382)	(28,873)
<b>Net current assets</b>		<b>45,834</b>	<b>53,105</b>	<b>36,673</b>	<b>42,530</b>
<b>Total assets less current liabilities</b>		<b>384,136</b>	<b>380,027</b>	<b>339,426</b>	<b>335,751</b>
Creditors: Amounts falling due after more than one year	24	(5,201)	(9,832)	(5,201)	(9,832)
Provisions for liabilities	26	(494)	(487)	(494)	(487)
<b>Net assets excluding pension liability</b>		<b>378,441</b>	<b>369,708</b>	<b>333,731</b>	<b>325,432</b>
Defined-benefit pension liability	16b	(6,633)	(4,068)	(4,822)	(2,321)
<b>Net assets</b>		<b>371,808</b>	<b>365,640</b>	<b>328,909</b>	<b>323,111</b>
<b>Funds</b>					
Total unrestricted funds	28	188,834	183,648	185,104	180,530
Total restricted funds	29	182,974	181,992	143,805	142,581
<b>Total funds</b>		<b>371,808</b>	<b>365,640</b>	<b>328,909</b>	<b>323,111</b>

The notes on pages 56 to 82 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 May 2020.

These were signed on its behalf by:



Una Cleminson  
National Chairman

## The Royal British Legion

### Cash Flow Statement for the year ended 30 September 2019

	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Net cash absorbed by operating activities</b>	A	<b>(12,719)</b>	<b>(4,491)</b>	<b>(11,283)</b>	<b>(11,688)</b>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		6,621	6,146	6,151	5,747
Proceeds from the sale of tangible fixed assets		-	-	-	-
Purchase of tangible fixed assets		(6,650)	(8,287)	(5,534)	(1,956)
Purchase of intangible fixed assets		(1,222)	(1,212)	(1,222)	(1,212)
Proceeds from sale of investments		7,548	4,877	7,548	4,877
Purchase of investments		(2,100)	(3,312)	(1,259)	(3,512)
<b>Net cash provided by investing activities</b>		<b>4,197</b>	<b>(1,788)</b>	<b>5,684</b>	<b>3,944</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(8,522)</b>	<b>(6,279)</b>	<b>(5,599)</b>	<b>(7,744)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>67,753</b>	<b>74,032</b>	<b>53,613</b>	<b>61,357</b>
<b>Cash and cash equivalents at the end of the year</b>	23	<b>59,231</b>	<b>67,753</b>	<b>48,014</b>	<b>53,613</b>

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>A. Reconciliation of net income to net cash flow from operating activities</b>				
Net income for the year (as per the Statement of Financial Activities)	7,655	11,399	7,244	3,973
Adjustments for:				
Depreciation, amortisation and impairment charges	3,888	3,713	3,294	3,231
Gains on investments	(13,453)	(13,514)	(12,968)	(13,557)
Dividends, interest and rents from investments	(6,621)	(6,146)	(6,151)	(5,747)
Loss on sale of tangible fixed assets	29	-	6	-
(Increase)/decrease in stock	(690)	756	-	-
Decrease in programme-related investments	580	576	603	576
(Increase)/decrease in debtors	(1,613)	(146)	(251)	467
(Decrease)/increase in creditors	(3,579)	(1,345)	(4,122)	(823)
(Decrease)/increase in provisions	7	(132)	7	(132)
Adjustment in respect of pension funding	1,078	348	1,055	324
<b>Net cash absorbed by operating activities</b>	<b>(12,719)</b>	<b>(4,491)</b>	<b>(11,283)</b>	<b>(11,688)</b>

# The Royal British Legion

## Notes to the Accounts for the year ended 30 September 2019

### 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)', 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 2019, with prior year comparatives (2018) for the year to 30 June 2018.

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 Legion") Royal Charter. As agreed with the Charity Commission and in accordance with FRS 102, they include the results, assets and liabilities of the Legion's counties, districts, branches and Women's Section. The Legion'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 Legion's name but are not controlled by the Legion 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 Legion'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 Legion 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 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 2019.

The economic value of time given by volunteers is not included in these financial statements.

#### 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 Legion'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 Gilt over the period of the grant.

#### Allocation of costs

Where possible, the Legion'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 that are predominantly outsourced bear no allocation of support costs.

#### Stock, 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. Stock is valued at the lower of cost and net realisable value, and includes 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 three staff pension schemes, which are accounted for in accordance with FRS 102 section 28.

These are the Royal British Legion Staff Pension Fund (a defined-benefit scheme closed to future accrual), the Earl Haig Defined Benefit Scheme, and the Group Flexible Retirement Plan (a defined-contribution 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 Legion's share of the scheme deficits is included as a liability on the balance sheet.

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

### 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 by an external qualified surveyor. 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 32 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. Depreciation is provided over 5 years from the month of first use.

Tangible and intangible fixed assets that are under construction are classified as *Assets Under Construction* and are transferred into the appropriate category on 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.

### Finance 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 finance leases.

### Taxation

The activities of the Legion and its charitable subsidiaries are exempt from corporation tax under Chapter 3 of Part 11 of 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 Legion.

### Foreign exchange

The Legion 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 2019.

### 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.

The trustees consider there to be only one potential source of critical judgement or key source of estimation uncertainty requiring disclosure that is not already described within note 1, this being the emergence and subsequent spread of Covid-19. Whilst this does not impact the figures included in these financial statements drawn up as at 30 September 2019, the control measures implemented by governments and their impact on the global economy have led the trustees to review and confirm the group's ability to continue as a going concern for at least 12 months from the date of signing these accounts. Further details are provided in the Financial Review and in note 32.

### 3 Consolidated Comparative Statement of Financial Activities

	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total 2018 £'000
<b>Income and endowments from</b>			
Donations and legacies	91,519	5,050	96,569
Charitable activities	21,792	14,661	36,453
Other trading activities	20,475	3,061	23,536
Investments	2,910	3,236	6,146
Other	236	238	474
<b>Total income</b>	<b>136,932</b>	<b>26,246</b>	<b>163,178</b>
<b>Expenditure on</b>			
<b>Raising funds</b>	<b>36,286</b>	<b>5,440</b>	<b>41,726</b>
<b>Charitable activities</b>			
Care	32,418	842	33,260
Personnel Recovery Centres	2,239	82	2,321
Community welfare	40,845	16,094	56,939
Membership	7,821	704	8,525
Comradeship	538	-	538
Communications and campaigning	12,605	-	12,605
Remembrance and ceremonial	3,949	5,430	9,379
<b>Total charitable activities</b>	<b>100,415</b>	<b>23,152</b>	<b>123,567</b>
<b>Total expenditure</b>	<b>136,701</b>	<b>28,592</b>	<b>165,293</b>
<b>Net income/(expenditure) before investment gains</b>	<b>231</b>	<b>(2,346)</b>	<b>(2,115)</b>
Net gains on disposal of investments	112	2,240	2,352
Unrealised gains on revaluation of investments	1,931	9,231	11,162
<b>Net income before tax</b>	<b>2,274</b>	<b>9,125</b>	<b>11,399</b>
Taxation credit	-	-	-
<b>Net income for the year</b>	<b>2,274</b>	<b>9,125</b>	<b>11,399</b>
Transfers between funds	(7,188)	7,188	-
<b>Other recognised gains</b>			
Actuarial gains on defined-benefit pension schemes	2,266	191	2,457
<b>Net movement in funds</b>	<b>(2,648)</b>	<b>16,504</b>	<b>13,856</b>
Fund balances brought forward at 1 October	186,296	165,488	351,784
<b>Fund balances carried forward at 30 September</b>	<b>183,648</b>	<b>181,992</b>	<b>365,640</b>

## 3a Charity Comparative Statement of Financial Activities

	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	Total 2018 £'000
<b>Income and endowments from</b>			
Donations and legacies	95,481	945	96,426
Charitable activities	25,715	8,290	34,005
Other trading activities	6,111	12	6,123
Investments	2,910	2,837	5,747
Other	236	162	398
<b>Total income</b>	<b>130,453</b>	<b>12,246</b>	<b>142,699</b>
<b>Expenditure on</b>			
<b>Raising funds</b>	<b>29,383</b>	<b>25</b>	<b>29,408</b>
<b>Charitable activities</b>			
Care	32,418	842	33,260
Personnel Recovery Centres	2,239	82	2,321
Community welfare	49,238	11,190	60,428
Membership	7,821	659	8,480
Comradeship	538	-	538
Communications and campaigning	12,236	-	12,236
Remembrance and ceremonial	3,949	1,663	5,612
<b>Total charitable activities</b>	<b>108,439</b>	<b>14,436</b>	<b>122,875</b>
<b>Total expenditure</b>	<b>137,822</b>	<b>14,461</b>	<b>152,283</b>
<b>Net expenditure before investment gains</b>	<b>(7,369)</b>	<b>(2,215)</b>	<b>(9,584)</b>
Net gains on disposal of investments	112	2,235	2,347
Unrealised gains on revaluation of investments	1,931	9,279	11,210
<b>Net (expenditure)/income for the year</b>	<b>(5,326)</b>	<b>9,299</b>	<b>3,973</b>
Transfers between funds	1,303	(1,303)	-
<b>Other recognised gains</b>			
Actuarial gains on defined-benefit pension scheme	2,266	-	2,266
<b>Net movement in funds</b>	<b>(1,757)</b>	<b>7,996</b>	<b>6,239</b>
Fund balances brought forward at 1 October	182,287	124,585	316,872
<b>Fund balances carried forward at 30 September</b>	<b>180,530</b>	<b>142,581</b>	<b>323,111</b>

## 4 Donations and legacies

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Voluntary income</b>				
Donations	24,570	23,437	25,547	26,356
Legacies	21,794	22,638	21,274	22,472
The Poppy Appeal	54,953	50,494	51,901	47,598
<b>Total donations and legacies</b>	<b>101,317</b>	<b>96,569</b>	<b>98,722</b>	<b>96,426</b>

The total of the Poppy Appeal launched in October 2018 in England, Wales and Northern Ireland was £51.901 million (2018: £47.598 million). This includes cash collected of £48.231 million (2018: £44.428 million), legacies of £366,000 (2018: £610,000) and other donations of £3.304 million (2018: £2.560 million). The Poppy Appeal in Scotland raised £2.948 million (2018: £2.818 million), and a further £104,000 (2018: £78,000) was raised by the Royal British Legion Republic of Ireland.

In 1922, the Officers' Association transferred the Poppy Appeal to the Legion in return for a payment of 7.5% of the net annual amount received from street collections. The Agreement under which this occurred expired on 13 March 2019. A new agreement was reached with the Officers' Association under which the Legion has committed to paying a total grant of £6.7 million through annual instalments until March 2023. This agreement provides for payments to cease after this point. The new total grant due to the Officers' Association of £6.7 million (2018: £2.059 million) is therefore recognised as expenditure this year in place of the annual percentage grant recorded in 2018 and prior years – see note 10.

At 30 September 2019, the Legion had been advised of its interest in residuary and pecuniary legacies, with estimated values of £1.05 million (2018: £735,000), and these are included in the accounts. Not included in the accounts are interests in life-interest legacies with a value of £783,000 (2018: £323,000), where the conditions for acceptance had not been met. The Legion has also been notified of legacies estimated at a potential value of £13.52 million (2018: £15.085 million), which have not been recognised in these accounts. These legacies are a mixture of residuary legacies where confirmation of entitlement has not been received and the value cannot be confirmed at the balance sheet date, and pecuniary legacies where confirmation of entitlement has not been received as the executor has not confirmed sufficient funds will exist in the estate once realised.

Included in Donations above is pro bono legal support of £107,500 (2018: £125,000) from J A Kemp, Mayer Brown LLP, Withers LLP, Bluefin Insurance Services and RSA. Also included are other benefits-in-kind valued at £90,000 (2018: £159,000).

## 5 Charitable activities

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Grants for welfare services and Remembrance</b>				
Aged Veterans' Healthy Living Programme and Veterans Medical Fund	7,200	2,518	7,200	2,518
Grant from Poppy Lottery	-	-	2,376	3,923
Ex-Service charities and other organisations (almonisation)	2,790	2,693	2,625	2,548
Contributions for Remembrance activities	10,575	2,791	9,095	1,691
Grants towards capital projects	20	3,143	-	-
Other grants and contributions	1,492	2,921	416	1,259
<b>Total grants for welfare services and Remembrance</b>	<b>22,077</b>	<b>14,066</b>	<b>21,712</b>	<b>11,939</b>
Fees from residential Care Homes	17,147	16,833	17,147	16,833
Membership fees	4,402	4,577	4,401	4,574
Income from charitable services	989	977	362	659
<b>Total other income from charitable activities</b>	<b>22,538</b>	<b>22,387</b>	<b>21,910</b>	<b>22,066</b>
<b>Total income from charitable activities</b>	<b>44,615</b>	<b>36,453</b>	<b>43,622</b>	<b>34,005</b>

Almonisation income is the contribution from other charities towards Immediate Needs Grants paid by the Legion when the recipient of assistance is also a beneficiary of these other charities.

**6 Other trading activities**

	<b>Group 2019 £'000</b>	Group 2018 £'000	<b>Charity 2019 £'000</b>	Charity 2018 £'000
Fundraising events income	2,526	3,029	2,519	2,864
Fundraising lotteries	8,351	8,720	2,215	2,629
Income from commercial activities	11,526	11,206	14	49
Licence fees and royalties	94	120	94	120
Advertising in the Legion magazine	442	461	442	461
<b>Total income from other trading activities</b>	<b>22,939</b>	23,536	<b>5,284</b>	6,123

**7 Investment income**

	<b>Group 2019 £'000</b>	Group 2018 £'000	<b>Charity 2019 £'000</b>	Charity 2018 £'000
Dividends and interest on listed investments	2,998	2,822	2,540	2,445
Investment income on funds held by branches	696	567	696	567
Rentals from investment properties	2,472	2,373	2,471	2,358
Bank deposit interest	455	384	444	377
<b>Total investment income</b>	<b>6,621</b>	6,146	<b>6,151</b>	5,747

Rentals from investment properties with a market value of £65.019 million (note 20) at 30 September 2019 (2018: £66.682 million) are, in most cases, received by branches in relation to the rental of properties by Legion clubs. The clubs are independent entities that use the Legion's name under licence and promote the work of the Legion in return for discounted rentals, which in many cases are lower than could be obtained in a commercial environment.

**8 Cost of raising funds**

	<b>Group 2019 £'000</b>	Group 2018 £'000	<b>Charity 2019 £'000</b>	Charity 2018 £'000
Donations costs	9,380	7,969	6,944	5,781
Legacies costs	1,835	2,730	1,795	2,697
Poppy Appeal costs	14,225	15,022	13,469	14,384
<b>Cost of raising voluntary income</b>	<b>25,440</b>	25,721	<b>22,208</b>	22,862
Fundraising events costs	3,340	3,983	3,308	3,959
Fundraising lotteries costs	5,929	4,088	2,130	2,238
Commercial activities (trading)	8,333	7,586	43	1
<b>Cost of activities to raise funds</b>	<b>17,602</b>	15,657	<b>5,481</b>	6,198
<b>Investment management</b>	<b>449</b>	348	<b>449</b>	348
<b>Total cost of raising funds</b>	<b>43,491</b>	41,726	<b>28,138</b>	29,408

The total cost of raising funds for the group of £43.491 million (2018: £41.726 million) includes direct costs of £37.005 million (2018: £37.019 million) and allocated support costs of £4.957 million (2018: £4.707 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 £8.052 million (2018: £9.128 million), of which £5.261 million (2018: £6.257 million) remains within cost of raising funds representing the fundraising element of the literature, and £2.791 million (2018: £2.871 million) has been reallocated into charitable activities representing the raising-awareness element.

## 9 Analysis of charitable activities

	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Residential Care Homes		28,562	26,728	28,562	26,728
Welfare Break Centres		6,189	6,532	6,189	6,532
<b>Total care</b>		<b>34,751</b>	<b>33,260</b>	<b>34,751</b>	<b>33,260</b>
<b>Personnel Recovery Centres</b>		<b>2,496</b>	<b>2,321</b>	<b>2,496</b>	<b>2,321</b>
Welfare grants to individuals		15,903	12,201	14,957	11,357
Grants to other organisations	10	12,687	9,499	12,213	14,971
Information, advice and support		31,661	32,282	30,339	31,163
Welfare cost in branches, counties and districts		3,473	2,957	3,473	2,937
<b>Total community welfare</b>		<b>63,724</b>	<b>56,939</b>	<b>60,982</b>	<b>60,428</b>
Central membership support		4,503	4,682	4,504	4,637
Recruitment, development, training		568	510	568	510
Support to branches with clubs		229	173	229	173
The Legion magazine		846	655	846	655
Membership costs in branches, counties and districts		2,872	2,505	2,807	2,505
<b>Total membership</b>		<b>9,018</b>	<b>8,525</b>	<b>8,954</b>	<b>8,480</b>
<b>Comradeship</b>		<b>595</b>	<b>538</b>	<b>595</b>	<b>538</b>
Direct cost of communication and campaigning		10,015	9,734	10,015	9,734
Allocated cost of communication and campaigning		2,791	2,871	2,791	2,502
<b>Total communication and campaigning</b>		<b>12,806</b>	<b>12,605</b>	<b>12,806</b>	<b>12,236</b>
Festival of Remembrance		826	778	826	778
Ceremonial and commemorative events		9,775	3,581	9,710	3,517
Remembrance tours		601	1,041	601	1,041
National Memorial Arboretum operating costs		3,600	3,979	-	276
<b>Total Remembrance and ceremonial</b>		<b>14,802</b>	<b>9,379</b>	<b>11,137</b>	<b>5,612</b>
<b>Total cost of charitable activities</b>		<b>138,192</b>	<b>123,567</b>	<b>131,721</b>	<b>122,875</b>

The total cost of charitable activities for the group of £138.192 million (2018: £123.567 million) includes direct costs of £118.629 million (2018: £104.546 million) and allocated support costs of £19.563 million (2018: £19.021 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 £2.791 million (2018: £2.871 million), relating to costs associated with space within campaign literature relating to raising awareness.

<b>10 Grants awarded to other organisations</b>					
	Note	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Grants awarded by the Charity</b>					
The Officers' Association	4	6,700	2,059	6,700	2,059
Personnel Recovery Centres		204	518	204	518
Combat Stress		1,550	-	1,550	-
Help for Heroes		600	-	600	-
National Memorial Arboretum		-	-	1,192	6,999
Poppyscotland		-	-	1,019	1,395
The Poppy Factory		-	1,035	-	1,035
X-Forces		-	464	-	464
Grants to 34 other charities and voluntary organisations (2018: 117)		948	2,501	948	2,501
<b>Grants awarded by Poppyscotland</b>					
Unforgotten Forces		1,384	1,714	-	-
Citizens Advice Scotland		551	501	-	-
Grants to 11 other charities and voluntary organisations (2018: 16)		693	662	-	-
<b>Grants awarded by the Royal British Legion Republic of Ireland</b>					
Grants to 4 charities and voluntary organisations awarded (2018: 4)		57	45	-	-
<b>Total grants to other organisations</b>		<b>12,687</b>	<b>9,499</b>	<b>12,213</b>	<b>14,971</b>

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

## 11 Taxation

	Group 2019 £'000	Group 2018 £'000
Current tax credit:		
UK corporation tax	(2)	-
<b>Total tax credit on income</b>	<b>(2)</b>	<b>-</b>

The taxation credits and charges 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:

	Group 2019 £'000	Group 2018 £'000
Surplus on ordinary activities before tax	4,371	3,677
Surplus on ordinary activities multiplied by applicable rate of corporation tax of 19% (2018: 19%)	831	699
Effects of:		
Post-balance sheet event: effect of Gift Aid donations (see note 32)	(833)	(699)
Tax credit not recognised due to uncertainty over future profits	1	
<b>Tax credit for the year</b>	<b>(2)</b>	<b>-</b>

## 12 Net incoming resources for the year is stated after charging:

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Fees payable to the charity's auditor for the audit of the charity's annual accounts	161	155	161	155
Fees payable to the charity's auditor for the audit of the subsidiaries' annual accounts	97	94	-	-
Fees payable to the charity's auditor for other services:				
Assurance services other than audit or independent examination	2	2	1	1
Tax advisory services	8	8	2	2
Other advisory services	-	-	-	-
Branch, county and district audit and examination fees	41	41	41	41
Depreciation, amortisation and impairment charges	3,888	3,713	3,294	3,231
Rentals under operating leases	2,982	3,205	2,901	3,139

13 Support costs								
	Head Office Central 2019 £'000	Facilities Management 2019 £'000	Human Resources 2019 £'000	Finance and IT 2019 £'000	Governance 2019 £'000	Total Charity 2019 £'000	Subsidiaries 2019 £'000	Total Group 2019 £'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, 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, training	15	18	16	85	6	140	-	140
Support to branches with clubs	7	8	8	39	3	65	-	65
Membership costs in branches, 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 and campaigning	131	165	147	771	55	1,269	-	1,269
<b>Communications and 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 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.

### 13 Support costs continued

	Head Office Central 2018 £'000	Facilities Management 2018 £'000	Human Resources 2018 £'000	Finance and IT 2018 £'000	Governance 2018 £'000	Total Charity 2018 £'000	Subsidiaries 2018 £'000	Total Group 2018 £'000
Donations costs	112	107	81	443	39	782	511	1,293
Legacies costs	45	43	33	177	15	313	9	322
Poppy Appeal costs	-	355	270	1,469	126	2,220	193	2,413
Fundraising events costs	60	57	44	238	20	419	18	437
Fundraising lotteries costs	35	33	25	137	12	242	-	242
<b>Cost of raising funds</b>	<b>252</b>	<b>595</b>	<b>453</b>	<b>2,464</b>	<b>212</b>	<b>3,976</b>	<b>731</b>	<b>4,707</b>
Residential Care Homes	-	1,613	1,226	2,070	574	5,483	-	5,483
Welfare Break Centres	-	353	268	453	125	1,199	-	1,199
<b>Care</b>	<b>-</b>	<b>1,966</b>	<b>1,494</b>	<b>2,523</b>	<b>699</b>	<b>6,682</b>	<b>-</b>	<b>6,682</b>
<b>Personnel Recovery Centres</b>	<b>-</b>	<b>7</b>	<b>5</b>	<b>9</b>	<b>2</b>	<b>23</b>	<b>-</b>	<b>23</b>
Information, advice and support	1,094	1,042	791	4,314	370	7,611	462	8,073
Welfare cost in branches, counties and districts	38	36	28	150	13	265	11	276
<b>Community welfare</b>	<b>1,132</b>	<b>1,078</b>	<b>819</b>	<b>4,464</b>	<b>383</b>	<b>7,876</b>	<b>473</b>	<b>8,349</b>
Central membership support	170	162	123	671	58	1,184	45	1,229
Recruitment, development, training	21	20	15	82	7	145	-	145
Support to branches with clubs	10	9	7	40	3	69	-	69
Membership costs in branches, counties and districts	-	-	-	-	-	-	-	-
<b>Membership</b>	<b>201</b>	<b>191</b>	<b>145</b>	<b>793</b>	<b>68</b>	<b>1,398</b>	<b>45</b>	<b>1,443</b>
<b>Comradeship</b>	<b>13</b>	<b>13</b>	<b>10</b>	<b>52</b>	<b>4</b>	<b>92</b>	<b>-</b>	<b>92</b>
Direct cost of communications and campaigning	174	165	125	684	59	1,207	-	1,207
<b>Communications and campaigning</b>	<b>174</b>	<b>165</b>	<b>125</b>	<b>684</b>	<b>59</b>	<b>1,207</b>	<b>-</b>	<b>1,207</b>
Ceremonial and commemorative events	28	27	20	111	10	196	36	232
Remembrance tours	5	5	4	20	1	35	-	35
NMA operating costs	-	-	-	-	-	-	958	958
<b>Remembrance and ceremonial</b>	<b>33</b>	<b>32</b>	<b>24</b>	<b>131</b>	<b>11</b>	<b>231</b>	<b>994</b>	<b>1,225</b>
<b>Charitable activities</b>	<b>1,553</b>	<b>3,452</b>	<b>2,622</b>	<b>8,656</b>	<b>1,226</b>	<b>17,509</b>	<b>1,512</b>	<b>19,021</b>
<b>Total support costs</b>	<b>1,805</b>	<b>4,047</b>	<b>3,075</b>	<b>11,120</b>	<b>1,438</b>	<b>21,485</b>	<b>2,243</b>	<b>23,728</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 2019 £'000	NMA (Enterprises) 2019 £'000	Poppyscotland Group 2019 £'000	Royal British Legion Republic of Ireland 2019 £'000	Royal British Legion Trading 2019 £'000	Royal British Legion Poppy Lottery 2019 £'000	Royal British Legion Developments 2019 £'000	Remembrance Travel 2019 £'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 National Memorial Arboretum Company 2018 £'000	NMA (Enterprises) 2018 £'000	Poppyscotland Group 2018 £'000	Royal British Legion Republic of Ireland 2018 £'000	Royal British Legion Trading 2018 £'000	Royal British Legion Poppy Lottery 2018 £'000	Royal British Legion Developments 2018 £'000	Remembrance Travel 2018 £'000
Turnover/incoming resources	10,641	2,556	10,038	199	8,366	6,141	217	43
Expenditure	(4,423)	(2,560)	(7,701)	(240)	(9,251)	(6,141)	(219)	(51)
<b>Net incoming/(outgoing) resources</b>	<b>6,218</b>	<b>(4)</b>	<b>2,337</b>	<b>(41)</b>	<b>(885)</b>	<b>-</b>	<b>(2)</b>	<b>(8)</b>
Assets	24,407	579	15,417	2,718	3,933	4,887	371	144
Liabilities	(1,080)	(455)	(2,113)	(35)	(843)	(4,887)	(377)	(104)
<b>Net assets</b>	<b>23,327</b>	<b>124</b>	<b>13,304</b>	<b>2,683</b>	<b>3,090</b>	<b>-</b>	<b>(6)</b>	<b>40</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. Its expenditure includes prior-year profits paid under the Gift Aid scheme to The National Memorial Arboretum Company Limited of £664,000 (2018: £563,000).
- *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 Legion, 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 Legion of £3.09 million (2018: £3.975 million).
- *Royal British Legion Poppy Lottery Limited* – a charitable company that undertakes the marketing and provision of a weekly lottery to members and supporters of the Legion. Its expenditure includes a grant awarded to the

Legion of £2.4 million (2018: £3.9 million). Other lottery activities are carried out by the parent charity.

- *Royal British Legion Developments Limited* – a trading company that develops or improves properties, principally those owned by the Legion. There were no profits to pay to the Legion in 2019 or 2018.
- *Remembrance Travel Limited* – a dormant 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 Legion of £30,000 (2018: £38,000).
- *RBL Financial Grants Raffle Limited, RBL Services Lottery Limited, Royal British Legion Family and Support Lottery Limited and Poppy Travel Limited* – dormant subsidiaries.

## 15 Information regarding employees and trustees

	Total 2019 No.	Total 2018 No.
<b>Average number of employees (full-time equivalent) during the year</b>		
<b>Raising funds</b>	<b>204</b>	188
<b>Charitable activities</b>		
Care services and Personnel Recovery Centres	683	625
Community welfare services	347	341
Membership services	60	61
Comradeship	4	4
Communication and campaigning	59	52
Remembrance and ceremonial	11	10
<b>Total charitable activities</b>	<b>1,164</b>	1,093
<b>Support and governance</b>	<b>143</b>	121
<b>Total charity full-time equivalent staff</b>	<b>1,511</b>	1,402
<b>Subsidiaries average number of employees (full-time equivalent) during the year</b>		
Poppyscotland Group	101	90
National Memorial Arboretum Group	88	85
Royal British Legion Trading	8	9
<b>Total group full-time equivalent staff</b>	<b>1,708</b>	1,586

The group incurred costs of £5.0 million (2018: £8.098 million) on agency staff, which are not included in the staff costs below.

<b>Staff costs comprise:</b>	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Charity 2019 £'000</b>	<b>Charity 2018 £'000</b>
Wages and salaries	47,924	42,683	43,632	38,929
National Insurance contributions	4,568	3,991	4,217	3,668
Pension costs	4,559	3,729	4,167	3,271
<b>Total staff costs</b>	<b>57,051</b>	<b>50,403</b>	<b>52,016</b>	<b>45,868</b>

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

	<b>Group 2019 No.</b>	<b>Group 2018 No.</b>	<b>Charity 2019 No.</b>	<b>Charity 2018 No.</b>
£60,000 - £69,999	15	11	14	11
£70,000 - £79,999	14	15	14	15
£80,000 - £89,999	7	2	5	1
£90,000 - £99,999	1	1	1	1
£100,000 - £109,999	1	3	1	3
£110,000 - £119,999	1	1	1	-
£120,000 - £129,999	3	3	3	3
£130,000 - £139,999	-	-	-	-
£140,000 - £149,999	1	2	1	2

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 £1.042 million (2018: £1.200 million).

The Legion 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 Legion Directors is subject to annual review by a Governance Committee comprising four trustees, including the Chairman and Vice-Chairman.

During the year, the total expenses paid in respect of 13 (2018: 16) Board of Trustee members amounted to £60,000 (2018: £67,000). This principally represents travelling expenses for attending meetings and official engagements, and includes the costs of trustees officiating at Remembrance tours. The Legion 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 Legion, nor have they entered into any other transaction or contract with the Legion during the year.

## 16 Staff pension funds

The Royal British Legion group pension arrangements comprise those of the Legion 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 Legion 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 £4.249 million (2018: £3.417 million), of which £384,000 (2018: £380,000) 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 £159,000 (2018: £192,000), of which £28,000 (2018: £23,000) 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 £38,000 (2018: £20,000), of which £nil (2018: £6,000) 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. The results of this valuation have been updated to 30 September 2019 by a qualified actuary. In accordance with the current Schedule of Contributions, the Legion 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. 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 Legion 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 below.

### 16a Amounts recognised in the Statement of Financial Activities

	EH Fund 2019 £'000	DB Fund 2019 £'000	Total 2019 £'000	EH Fund 2018 £'000	DB Fund 2018 £'000	Total 2018 £'000
Current service cost	(21)	(549)	(570)	(33)	-	(33)
Administration expenses	(82)	(660)	(742)	(106)	(439)	(545)
Net interest	(48)	(71)	(119)	(49)	(113)	(162)
<b>Amount charged to net incoming resources</b>	<b>(151)</b>	<b>(1,280)</b>	<b>(1,431)</b>	<b>(188)</b>	<b>(552)</b>	<b>(740)</b>
Actuarial gains	(541)	(6,674)	(7,215)	203	2,360	2,563
Return on assets excluding amount included in net interest	500	5,228	5,728	(12)	(94)	(106)
<b>Amount recognised in other comprehensive income</b>	<b>(41)</b>	<b>(1,446)</b>	<b>(1,487)</b>	<b>191</b>	<b>2,266</b>	<b>2,457</b>
<b>Total increase/(decrease) in net funds</b>	<b>(192)</b>	<b>(2,726)</b>	<b>(2,918)</b>	<b>3</b>	<b>1,714</b>	<b>1,717</b>

### 16b Reconciliation to the Balance Sheet

	EH Fund 2019 £'000	DB Fund 2019 £'000	Total 2019 £'000	EH Fund 2018 £'000	DB Fund 2018 £'000	Total 2018 £'000
Market value of assets	5,603	71,050	76,653	5,255	68,151	73,406
Present value of defined-benefit obligation	(7,414)	(75,872)	(83,286)	(7,002)	(70,472)	(77,474)
<b>Pension liability recognised in the Balance Sheet</b>	<b>(1,811)</b>	<b>(4,822)</b>	<b>(6,633)</b>	<b>(1,747)</b>	<b>(2,321)</b>	<b>(4,068)</b>

### 16c Analysis of changes in the value of the fund liabilities over the year

	EH Fund 2019 £'000	DB Fund 2019 £'000	Total 2019 £'000	EH Fund 2018 £'000	DB Fund 2018 £'000	Total 2018 £'000
Value of liabilities at start of year	(7,002)	(70,472)	(77,474)	(7,455)	(73,810)	(81,265)
Current service costs	(21)	(549)	(570)	(33)	-	(33)
Interest cost	(191)	(1,921)	(2,112)	(188)	(1,882)	(2,070)
Member contributions	-	-	-	(5)	-	(5)
Benefits paid	341	3,744	4,085	476	2,860	3,336
Actuarial gains	(541)	(6,674)	(7,215)	203	2,360	2,563
<b>Value of liabilities at end of year</b>	<b>(7,414)</b>	<b>(75,872)</b>	<b>(83,286)</b>	<b>(7,002)</b>	<b>(70,472)</b>	<b>(77,474)</b>

### 16d Analysis of changes in the value of the fund assets over the year

	EH Fund 2019 £'000	DB Fund 2019 £'000	Total 2019 £'000	EH Fund 2018 £'000	DB Fund 2018 £'000	Total 2018 £'000
Market value of assets at start of year	5,255	68,151	73,406	5,541	69,547	75,088
Return on assets excluding amount included in net interest	500	5,228	5,728	(12)	(94)	(106)
Administration expenses	(82)	(660)	(742)	(106)	(439)	(545)
Employer contributions	128	225	353	164	228	392
Interest income	143	1,850	1,993	139	1,769	1,908
Member contributions	-	-	-	5	-	5
Benefits paid	(341)	(3,744)	(4,085)	(476)	(2,860)	(3,336)
<b>Market value of assets at end of year</b>	<b>5,603</b>	<b>71,050</b>	<b>76,653</b>	<b>5,255</b>	<b>68,151</b>	<b>73,406</b>

### 16e Asset classes

	DB Fund 2019			DB Fund 2018		
	Market Value £'000	% of total fund assets		Market Value £'000	% of total fund assets	
Equities	19,525	27%		18,549	27%	
Bonds	10,235	14%		10,613	16%	
Gilts	-	0%		10,444	15%	
LDI	13,545	19%				
Cash	754	1%		344	1%	
Annuities	1,901	3%		2,247	3%	
Other assets	25,090	35%		25,954	38%	
<b>Total fund assets</b>	<b>71,050</b>			<b>68,151</b>		
<b>The actual return on assets over the year was</b>	<b>7,078</b>			<b>1,675</b>		

	EH Fund 2019			EH Fund 2018		
	Market Value £'000	% of total fund assets		Market Value £'000	% of total fund assets	
Equities	2,441	44%		2,363	45%	
Net current assets	15	0%		50	1%	
Annuities	500	9%		560	11%	
Other assets	2,647	47%		2,282	43%	
<b>Total fund assets</b>	<b>5,603</b>			<b>5,255</b>		
<b>The actual return on assets over the year was</b>	<b>643</b>			<b>127</b>		

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

The assets are invested in a diversified portfolio.

During 2019, contributions of £225,000 and £130,000 are expected to be paid into the DB Fund and EH Fund respectively.

<b>16 Actuarial assumptions</b>				
<b>Financial assumptions (both funds)</b>				
			<b>2019</b>	<b>2018</b>
			<b>% p.a.</b>	<b>% p.a.</b>
Discount rate			1.7	2.8
Retail price index inflation			3.2	3.3
Consumer price index inflation			2.2	2.3
Salary increases			3.2	3.3
Rate of increases of pensions in payment:				
Capped at 5% or RPI if less			3.1	3.2
Capped at 5% or CPI if less			3.2	3.2
Capped at 3% or CPI if less			2.0	2.1
Capped at 2.5% or CPI if less			1.8	1.9
Rate of increase for deferred pensioners			2.2	2.3
<b>Mortality assumptions (both funds)</b>				
			<b>2019</b>	<b>2018</b>
Life expectancies at age 60:				
			<b>Males</b>	<b>Females</b>
Current pensioner now aged 60			26.4 years	28.9 years
Future pensioner now aged 40			27.9 years	30.4 years
			29.0 years	31.1 years

<b>17 Intangible fixed assets</b>					
			<b>Software, Databases and Licences £'000</b>	<b>Assets under construction £'000</b>	<b>Total Group and Charity £'000</b>
<b>At cost or valuation</b>					
At 1 October 2018			3,474	1,235	4,709
Additions			321	901	1,222
Transfers			-	-	-
At 30 September 2019			<b>3,795</b>	<b>2,136</b>	<b>5,931</b>
<b>Accumulated amortisation</b>					
At 1 October 2018			(1,044)	-	(1,044)
Charge for the year			(695)	-	(695)
At 30 September 2019			<b>(1,739)</b>	<b>-</b>	<b>(1,739)</b>
<b>Net book value at 30 September 2019</b>			<b>2,056</b>	<b>2,136</b>	<b>4,192</b>
Net book value at 30 September 2018			2,430	1,235	3,665

## 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 2018	60,652	27,519	29,827	4,816	2,529	125,343
Additions	-	55	-	384	6,246	6,685
Transfers	-	2,558	1,230	788	(4,576)	-
Disposals	-	(8)	(88)	-	-	(96)
At 30 September 2019	60,652	30,124	30,969	5,988	4,199	131,932
<b>Accumulated depreciation</b>						
At 1 October 2018	(15,653)	(5,696)	(5,399)	(3,803)	-	(30,551)
Charge for the year	(1,102)	(454)	(1,256)	(448)	-	(3,260)
Transfers	-	-	-	-	-	-
Disposals	-	2	65	-	-	67
At 30 September 2019	(16,755)	(6,148)	(6,590)	(4,251)	-	(33,744)
<b>Net book value at 30 September 2019</b>	<b>43,897</b>	<b>23,976</b>	<b>24,379</b>	<b>1,737</b>	<b>4,199</b>	<b>98,188</b>
Net book value at 30 September 2018	44,999	21,823	24,428	1,013	2,529	94,792

## 18a Charity 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 Charity £'000
<b>At cost or valuation</b>						
At 1 October 2018	60,652	26,653	6,875	4,370	1,971	100,521
Additions	-	55	-	-	5,479	5,534
Transfers	-	2,558	-	693	(3,251)	-
Disposals	-	(8)	-	-	-	(8)
At 30 September 2019	60,652	29,258	6,875	5,063	4,199	106,047
<b>Accumulated depreciation</b>						
At 1 October 2018	(15,653)	(5,378)	(2,734)	(3,725)	-	(27,490)
Charge for the year	(1,102)	(437)	(672)	(388)	-	(2,599)
Transfers	-	-	-	-	-	-
Disposals	-	2	-	-	-	2
At 30 September 2019	(16,755)	(5,813)	(3,406)	(4,113)	-	(30,087)
<b>Net book value at 30 September 2019</b>	<b>43,897</b>	<b>23,445</b>	<b>3,469</b>	<b>950</b>	<b>4,199</b>	<b>75,960</b>
Net book value at 30 September 2018	44,999	21,275	4,141	645	1,971	73,031

<b>19 Investments</b>				
	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Charity 2019 £'000</b>	<b>Charity 2018 £'000</b>
Market value at 1 October	156,245	149,801	144,232	137,595
Net additions	2,100	3,312	1,259	3,512
Investment gain on revaluation	7,550	3,082	7,083	3,125
<b>Market value at 30 September</b>	<b>165,895</b>	<b>156,195</b>	<b>152,574</b>	<b>144,232</b>
The asset distribution of the investment portfolio at 30 September is presented below.				
	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Charity 2019 £'000</b>	<b>Charity 2018 £'000</b>
Equities:				
UK	18,711	27,185	16,645	25,319
Overseas	40,611	28,415	36,554	24,887
<b>Total equities</b>	<b>59,322</b>	<b>55,600</b>	<b>53,199</b>	<b>50,206</b>
Bonds:				
UK	38,451	36,890	33,122	31,874
Overseas	3,729	3,322	3,698	3,288
<b>Total bonds</b>	<b>42,180</b>	<b>40,212</b>	<b>36,820</b>	<b>35,162</b>
Cash:				
UK	12,995	13,435	12,995	13,435
Overseas	582	214	-	-
<b>Total cash</b>	<b>13,577</b>	<b>13,649</b>	<b>12,995</b>	<b>13,435</b>
Hedge funds – UK	5,509	5,524	5,509	5,524
Commodities	1,932	-	1,932	-
Portfolio funds:				
UK	23,691	24,486	23,691	24,486
Overseas	96	103	-	-
<b>Total portfolio funds</b>	<b>23,787</b>	<b>24,589</b>	<b>23,691</b>	<b>24,486</b>
Other:				
UK	10,070	8,309	8,912	7,112
Overseas	9,518	8,312	9,516	8,307
<b>Total other</b>	<b>19,588</b>	<b>16,621</b>	<b>18,428</b>	<b>15,419</b>
<b>Total investments</b>	<b>165,895</b>	<b>156,195</b>	<b>152,574</b>	<b>144,232</b>

£136.143 million of the investments are managed by Cazenove Capital Management Limited (2018: £129.177 million). The strategy is to maintain the real value of assets and target an investment return of CPI plus 3 per cent. 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 Atock Memorial Trust and Devon Community Trust.

## 20 Investment properties

	Group and Charity 2019 £'000	Group and Charity 2018 £'000
Market value at 1 October	66,682	61,112
Transfers from tangible fixed assets	-	15
Disposals at market value	(7,548)	(4,877)
Net gain on revaluation of investment properties	5,885	10,432
<b>Market value at 30 September</b>	<b>65,019</b>	<b>66,682</b>

Investment properties primarily comprise 310 properties (2018: 330 properties), which are owned by the Legion but are let to independent commercial operations, primarily affiliated social clubs. The Legion's valuation methodology is to revalue its investment properties on a five-year rolling basis, with 20 per cent being revalued each year. For the year ended 30 September 2019, 82 properties were externally revalued (2018: 59 properties) and a revaluation gain of £2.35 million (2018: £2.951 million) was recognised in the accounts. This revaluation was completed by Bruton Knowles, a firm of qualified surveyors, on the basis of open-market value for existing use. The remaining 80 per cent 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 £8,000 (2018: gains of £4.096 million) 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 Legion had a beneficial interest in a number of properties. During 2019, nine of these properties have transferred to the full corporate trusteeship of the Legion, and as a result, a revaluation gain of £475,000 (2018: £1.220 million) has been recognised in respect of these properties.

The remainder of the net gain on revaluation relates to gains on disposal of £3.067 million (2018: £2.165 million).

## 21 Programme-related investments

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
<b>Loans to external organisations</b>				
Sir Oswald Stoll Foundation	668	784	668	784
<b>Other schemes unrestricted</b>				
Loans for property repairs (PRL)	4,337	4,787	4,337	4,787
<b>Programme-related investments unrestricted</b>	<b>5,005</b>	<b>5,571</b>	<b>5,005</b>	<b>5,571</b>
<b>Other schemes restricted</b>				
Be The Boss scheme (BTB)	3	17	3	17
<b>Group loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23</b>
<b>Total programme-related investments</b>	<b>5,008</b>	<b>5,588</b>	<b>5,008</b>	<b>5,611</b>

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

	Sir Oswald Stoll Foundation £'000	PRL loans £'000	BTB loans £'000	Total Group £'000	Group loans £'000	Total Charity £'000
Opening balance at 1 October 2018	784	4,787	17	5,588	23	5,611
Interest	24	-	-	24	-	24
Repayments and security deposits	(140)	(450)	(6)	(596)	(23)	(619)
Write-offs and bad-debt provision movements	-	-	(8)	(8)	-	(8)
<b>Closing balance at 30 September 2019</b>	<b>668</b>	<b>4,337</b>	<b>3</b>	<b>5,008</b>	<b>-</b>	<b>5,008</b>

The Legion 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 per cent 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 Legion 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 per cent is charged.

**22 Debtors**

	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Charity 2019 £'000</b>	<b>Charity 2018 £'000</b>
Trade debtors	7,633	5,421	7,319	5,269
Amounts due from consolidated entities	-	-	2,914	4,645
Other debtors	3,110	3,005	2,957	2,807
Prepayments and accrued income	5,986	6,690	4,851	5,069
<b>Total debtors</b>	<b>16,729</b>	<b>15,116</b>	<b>18,041</b>	<b>17,790</b>

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

	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Charity 2019 £'000</b>	<b>Charity 2018 £'000</b>
<b>Cash held centrally</b>				
Short-term deposits	10,075	27,579	9,592	27,096
Cash at hand and in bank	36,946	26,859	26,212	13,202
	47,021	54,438	35,804	40,298
<b>Cash held by branches</b>	<b>12,210</b>	<b>13,315</b>	<b>12,210</b>	<b>13,315</b>
<b>Total cash</b>	<b>59,231</b>	<b>67,753</b>	<b>48,014</b>	<b>53,613</b>

**24 Creditors**

	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Charity 2019 £'000</b>	<b>Charity 2018 £'000</b>
<b>Creditors falling due within one year</b>				
Trade creditors	5,576	4,218	4,792	3,261
Amounts due to consolidated entities	-	-	204	255
Grant commitments (see note 25)	11,288	9,216	11,288	9,191
Accruals	10,521	11,858	9,011	10,820
Deferred Income	3,050	3,001	2,256	2,304
Other creditors	2,084	3,174	1,831	3,042
<b>Total creditors falling due within one year</b>	<b>32,519</b>	<b>31,467</b>	<b>29,382</b>	<b>28,873</b>
	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Charity 2019 £'000</b>	<b>Charity 2018 £'000</b>
<b>Creditors falling due after more than one year</b>				
External grant commitments (see note 25):				
Due within two to five years	5,201	9,832	5,201	9,832
<b>Total creditors falling due after more than one year</b>	<b>5,201</b>	<b>9,832</b>	<b>5,201</b>	<b>9,832</b>

## 25 Group grant commitments

	Personnel Recovery Centres 2019 £'000	Centre for Blast Injury Studies 2019 £'000	Other 2019 £'000	Group Total 2019 £'000
Opening balance at 1 October	9,627	2,901	6,520	19,048
Grants awarded	-	-	11,849	11,849
Unwinding of discount	204	(34)	(33)	137
Payments during the year	(2,581)	(1,000)	(10,964)	(14,545)
<b>Closing balance at 30 September</b>	<b>7,250</b>	<b>1,867</b>	<b>7,372</b>	<b>16,489</b>

## 25a Charity grant commitments

	Personnel Recovery Centres 2019 £'000	Centre for Blast Injury Studies 2019 £'000	Other 2019 £'000	Charity Total 2019 £'000
Opening balance at 1 October	9,627	2,901	6,495	19,023
Grants awarded	-	-	11,849	11,849
Unwinding of discount	204	(34)	(33)	137
Payments during the year	(2,581)	(1,000)	(10,939)	(14,520)
<b>Closing balance at 30 September</b>	<b>7,250</b>	<b>1,867</b>	<b>7,372</b>	<b>16,489</b>

## 26 Provisions for liabilities

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Opening balance at 1 October	487	619	487	619
Provisions written back in year	7	(132)	7	(132)
<b>Closing balance at 30 September</b>	<b>494</b>	<b>487</b>	<b>494</b>	<b>487</b>

## 27 Group operating lease commitments

	Land and buildings 2019 £'000	Vehicles and equipment 2019 £'000	Land and buildings 2018 £'000	Vehicles and equipment 2018 £'000
At 30 September, the group had annual commitments under non-cancellable operating leases as follows:				
Within one year	1,285	608	1,362	595
Within two to five years	4,575	812	4,838	1,194
Over five years	2,750	-	3,869	-
<b>Total</b>	<b>8,610</b>	<b>1,420</b>	<b>10,069</b>	<b>1,789</b>

## 27a Charity operating lease commitments

	Land and buildings 2019 £'000	Vehicles and equipment 2019 £'000	Land and buildings 2018 £'000	Vehicles and equipment 2018 £'000
At 30 September, the charity had annual commitments under non-cancellable operating leases as follows:				
Within one year	1,230	585	1,317	574
Within two to five years	4,389	766	4,595	1,169
Over five years	2,661	-	3,705	-
<b>Total</b>	<b>8,280</b>	<b>1,351</b>	<b>9,617</b>	<b>1,743</b>

**28 Group unrestricted funds**

	Opening Balance 1 Oct 2018 £'000	Incoming resources £'000	Resources expended £'000	Gains/(losses) £'000	Transfers £'000	Closing Balance 30 Sept 2019 £'000
Central benevolent fund	29,720	112,120	(121,582)	5,453	2,774	<b>28,485</b>
Area trust funds	37,181	-	-	-	2,113	<b>39,294</b>
Pension reserve	(2,321)	-	(1,280)	(1,446)	225	<b>(4,822)</b>
Subsidiaries' funds	3,118	14,950	(9,065)	-	(5,273)	<b>3,730</b>
<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)	-	-	<b>5,187</b>
Branch, county, district and Women's Section funds	28,977	6,702	(4,158)	311	62	<b>31,894</b>
Functional fixed asset reserve	76,696	-	(3,292)	-	6,748	<b>80,152</b>
Programme-related investment reserve	5,571	29	-	-	(686)	<b>4,914</b>
<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>

	Opening Balance 1 Oct 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains/(losses) £'000	Transfers £'000	Closing Balance 30 Sept 2018 £'000
Central benevolent fund	31,279	114,705	(116,944)	1,719	(1,039)	29,720
Area trust funds	36,675	-	(244)	-	750	37,181
Subsidiaries' funds	4,009	14,415	(7,727)	-	(7,579)	3,118
<b>Available reserves*</b>	<b>71,963</b>	<b>129,120</b>	<b>(124,915)</b>	<b>1,719</b>	<b>(7,868)</b>	<b>70,019</b>
General fund	4,097	4,929	(4,242)	-	(78)	4,706
Branch, county, district and Women's Section funds	31,740	2,850	(3,667)	230	(2,176)	28,977
Functional fixed asset reserve	76,670	-	(3,231)	-	3,257	76,696
Programme-related investment reserve	6,089	33	-	-	(551)	5,571
Pension reserve	(4,263)	-	(646)	2,360	228	(2,321)
<b>Total group unrestricted funds</b>	<b>186,296</b>	<b>136,932</b>	<b>(136,701)</b>	<b>4,309</b>	<b>(7,188)</b>	<b>183,648</b>

\* The definition of "available reserves" used by RBL has been amended to include the Pension reserve in 2019

The Central benevolent fund incorporates the core activities of the Legion, 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.

Subsidiaries' funds represents unrestricted funds held in subsidiaries.

Taken together, the above three lines represent the total unrestricted reserves of the Legion, 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 Legion.

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

The Functional fixed asset reserve represents the value of the Legion'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).

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

## 28a Charity unrestricted funds

	Opening Balance 1 Oct 2018 £'000	Incoming resources £'000	Resources expended £'000	Gains/(losses) £'000	Transfers £'000	Closing Balance 30 Sept 2019 £'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>

	Opening Balance 1 Oct 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains/(losses) £'000	Transfers £'000	Closing Balance 30 Sept 2018 £'000
Central benevolent fund	31,279	122,641	(125,792)	1,719	(127)	29,720
Area trust funds	36,675	-	(244)	-	750	37,181
<b>Available reserves*</b>	<b>67,954</b>	<b>122,641</b>	<b>(126,036)</b>	<b>1,719</b>	<b>623</b>	<b>66,901</b>
General fund	4,097	4,929	(4,242)	-	(78)	4,706
Branch, county, district and Women's Section funds	31,740	2,850	(3,667)	230	(2,176)	28,977
Functional fixed asset reserve	76,670	-	(3,231)	-	3,257	76,696
Programme-related investment reserve	6,089	33	-	-	(551)	5,571
Pension reserve	(4,263)	-	(646)	2,360	228	(2,321)
<b>Total charity unrestricted funds</b>	<b>182,287</b>	<b>130,453</b>	<b>(137,822)</b>	<b>4,309</b>	<b>1,303</b>	<b>180,530</b>

\* The definition of "available reserves" used by RBL has been amended to include the Pension reserve in 2019

## 29 Group restricted funds

	Opening Balance 1 Oct 2018 £'000	Incoming resources £'000	Resources expended £'000	Gains/ (losses) £'000	Transfers £'000	Closing Balance 30 Sept 2019 £'000
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>

	Opening Balance 1 Oct 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains/ (losses) £'000	Transfers £'000	Closing Balance 30 Sept 2018 £'000
Investment property reserve	61,112	-	-	10,432	(4,862)	66,682
Income and sales proceeds from property held in corporate trusteeship	44,533	2,354	(5,150)	412	3,609	45,758
Grants for specific purposes	4,715	7,986	(7,932)	-	60	4,829
Programme-related investment reserve	77	-	-	-	(60)	17
Donor-restricted legacies and donations	12,985	617	(249)	129	(249)	13,233
Branch and county funds	5,750	529	(207)	464	(40)	6,496
Charity Commission schemes	1,762	52	-	119	-	1,933
Homes' residents' amenity funds	973	632	(810)	-	235	1,030
The Arthur Atock Memorial Trust	1,247	47	(65)	(28)	-	1,201
British Korean Veterans (1981) Relief Fund	155	2	(11)	(2)	5	149
Samsung British Korean Veterans Scholarship Fund	429	11	-	(11)	-	429
Permanent endowments	847	16	(37)	(1)	(1)	824
<b>Total charity restricted funds</b>	<b>134,585</b>	<b>12,246</b>	<b>(14,461)</b>	<b>11,514</b>	<b>(1,303)</b>	<b>142,581</b>
Poppyscotland Group	12,879	8,448	(7,653)	(19)	1,395	15,050
Poppyscotland pension provision	(1,914)	-	(24)	191	-	(1,747)
National Memorial Arboretum Group	17,214	5,353	(6,238)	-	7,096	23,425
Royal British Legion Republic of Ireland	2,724	199	(216)	(24)	-	2,683
<b>Total group restricted funds</b>	<b>165,488</b>	<b>26,246</b>	<b>(28,592)</b>	<b>11,662</b>	<b>7,188</b>	<b>181,992</b>

## 29 Group restricted funds continued

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 £65.019 million (2018: £66.682 million), representing a portfolio of 310 properties (2018: 330 properties) owned by the Legion and, in most cases, occupied by social clubs licensed by the Legion 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 Legion's beneficiaries, at which point the funds are transferred to other reserves as appropriate. The value of these reserves at 30 September 2019 was £46.851 million (2018: £45.758 million), which includes both investment income and sales proceeds.

### 29a Charity restricted funds

	Opening Balance 1 Oct 2018 £'000	Incoming resources £'000	Resources expended £'000	Gains/ (losses) £'000	Transfers £'000	Closing Balance 30 Sept 2019 £'000
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>

	Opening Balance 1 Oct 2017 £'000	Incoming resources £'000	Resources expended £'000	Gains/ (losses) £'000	Transfers £'000	Closing Balance 30 Sept 2018 £'000
Investment property reserve	61,112	-	-	10,432	(4,862)	66,682
Income and sales proceeds from property held in corporate trusteeship	44,533	2,354	(5,150)	412	3,609	45,758
Grants for specific purposes	4,715	7,986	(7,932)	-	60	4,829
Programme-related investment reserve	77	-	-	-	(60)	17
Donor-restricted legacies and donations	12,985	617	(249)	129	(249)	13,233
Branch and county funds	5,750	529	(207)	464	(40)	6,496
Charity Commission schemes	1,762	52	-	119	-	1,933
Homes' residents' amenity funds	973	632	(810)	-	235	1,030
The Arthur Atock Memorial Trust	1,247	47	(65)	(28)	-	1,201
British Korean Veterans (1981) Relief Fund	155	2	(11)	(2)	5	149
Samsung British Korean Veterans Scholarship Fund	429	11	-	(11)	-	429
Permanent endowments	847	16	(37)	(1)	(1)	824
<b>Total charity restricted funds</b>	<b>134,585</b>	<b>12,246</b>	<b>(14,461)</b>	<b>11,514</b>	<b>(1,303)</b>	<b>142,581</b>

### 30 Transfers between restricted and unrestricted funds

During the year, the group made net transfers of £5.963 million from restricted to unrestricted reserves (2018: £7.188 million transferred from unrestricted to restricted reserves). The most significant transfers are described below.

The Legion 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 Legion made use of provisos on 30 trusts (2018: 15 trusts) resulting in the release of £2.113 million (2018: £750,000) from restricted into unrestricted funds. The Legion has opted to designate these funds for welfare activity, and they are included within Area trust funds at note 28 above.

An amount of £1.192 million (2018: £6.999 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 £1.019 million (2018: £1.395 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

Fund balances are represented by	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Intangible and tangible assets	80,152	22,228	102,380	76,463	21,994	98,457
Investments	97,844	138,078	235,922	93,034	135,431	228,465
Current assets	51,745	26,608	78,353	54,405	30,167	84,572
Current and non-current liabilities	(36,085)	(2,129)	(38,214)	(37,933)	(3,853)	(41,786)
Defined-benefit pension liability	(4,822)	(1,811)	(6,633)	(2,321)	(1,747)	(4,068)
<b>Total funds</b>	<b>188,834</b>	<b>182,974</b>	<b>371,808</b>	<b>183,648</b>	<b>181,992</b>	<b>365,640</b>

### 32 Events after the reporting period

In early 2020, the existence of a new coronavirus, known as Covid-19, was confirmed. The virus spread from China, where it originated, to a significant number of other countries. Covid-19 has caused disruption to daily life and economic activity and is likely to lead to a global recession. We consider the emergence and spread of Covid-19 to be a non-adjusting post balance sheet event as at 30 September 2019. As set out in the Financial Review on p44, the trustees have considered the potential impact of the virus on the Legion's income, expenditure, assets and liabilities, using different scenarios to assess the charity's ability to continue as a going concern and meet its liabilities as they fall due. The trustees have concluded that the Legion remains a going concern and these accounts are therefore prepared on a going concern basis. The Covid-19 situation continues to evolve and given the inherent uncertainty, it is not practicable at this time to provide a financial estimate of the impact of Covid-19 on the group.

On 1 April 2020, the trade and assets of subsidiary company Royal British Legion Poppy Lottery Limited were transferred to The Royal British Legion. This transfer took place in order to satisfy requirements of the Gambling Commission (the regulator for lottery activities). From this date, the subsidiary company will become dormant and all lottery activities will be reported in the parent charity's financial statements.

On 7 January 2020, Gift Aid totalling £3.735 million relating to the 2019 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 2019.

On 18 December 2019, Gift Aid of £107,000 relating to the 2019 profits of NMA (Enterprises) was paid to the National Memorial Arboretum Company, supplementing a further £540,000 paid on account during the financial year; consequently no tax is payable by NMA (Enterprises) in respect of the year ended 30 September 2019.

### 33 Related party transactions

During the year ended 30 September 2019, the following transactions have taken place between the charity and other members of the Legion group:

- Grant funding of £1.165 million was provided by the charity to The National Memorial Arboretum Company (2018: £6.999 million).
- The charity received donations of profits from Royal British Legion Trading and Remembrance Travel of £3.090 million and £30,000 respectively (2018: £3.975 million and £38,000 respectively). Royal British Legion Developments had no profits to pay to the charity in 2019 (2018: nil).
- The charity received a grant of £2.376 million from Royal British Legion Poppy Lottery (2018: £3.923 million).
- Grant funding of £1.019 million was provided by the charity to the Poppyscotland Group (2018: £1.395 million).
- The charity recognised capital expenditure of £nil with Royal British Legion Developments (2018: £405,000).
- The charity purchased goods and services valued at £71,000 from Royal British Legion Trading (2018: £139,000).
- The charity purchased goods and services valued at £122,000 from NMA (Enterprises) (2018: £97,000) and £Nil from The National Memorial Arboretum Company (2018: £6,000).
- At 30 September 2019, there was an outstanding loan balance of £nil owed to the charity by Remembrance Travel (2018: £23,000).

In addition, the following balances were outstanding between the charity and other members of the Legion group at 30 September 2019:

	Charity 2019 £'000	Charity 2018 £'000
<b>Amounts receivable from consolidated entities</b>		
Royal British Legion Poppy Lottery	2,554	4,148
The National Memorial Arboretum Company	142	131
Royal British Legion Developments	98	38
Royal British Legion Trading	92	281
NMA (Enterprises)	11	12
Remembrance Travel	2	35
Royal British Legion Republic of Ireland	15	-
<b>Total amounts receivable from consolidated entities</b>	<b>2,914</b>	<b>4,645</b>
<b>Amounts payable to consolidated entities</b>	<b>Charity 2019 £'000</b>	<b>Charity 2018 £'000</b>
Poppyscotland Group	204	139
Royal British Legion Republic of Ireland	-	116
<b>Total amounts payable to consolidated entities</b>	<b>204</b>	<b>255</b>

The Royal British Legion is a member organisation of the Royal Commonwealth Ex-Services League (RCEL). Three of the Legion's trustees hold positions within the RCEL as detailed below. The RCEL shares office space and certain services with the Legion, which had an estimated value of £47,000 during the year (2018: £51,000). The RCEL does not make payments to the Legion 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 £25,000 of grant expenditure in relation to the RCEL during 2019 (2018: £68,000) and held a grant creditor of £646,000 owed to RCEL at 30 September 2019 (2018: £911,000).

Organisation	Related party	Position at the Legion	Position at related party organisation
Royal Commonwealth Ex-Services League	Terry Whittles	Trustee	Trustee
	Major General David Jolliffe	Trustee	Honorary Medical Adviser
	Lieutenant Colonel Joe Falzon	Trustee	Council Member for Malta



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