

ROYAL BRITISH LEGION SCOTLAND
BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND
CHARITY NUMBER: SC010844

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2022

Trustees	Mr L Strachan – President Mr A Black – Chairman Mr C Forbes – Secretary Mr G Handsley – Vice Chairman
Charity number (Scotland)	SC010844
Principal address	Banchory British Legion Ravenswood Club Ramsey Road Banchory Aberdeenshire AB31 5TS
Independent examiner	Hall Morrice LLP 6 & 7 Queens Terrace Aberdeen AB10 1XL
Bankers	TSB Bank Banchory Branch 82 High Street Banchory Aberdeenshire AB31 5SS

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

	Page
Trustees' Report	1-3
Independent examiner's report	4
Statement of financial activities	5
Statement of financial position	6
Notes to the financial statements	7-11

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and Activities

The prevention or relief of poverty, the advancement of citizenship or community developments, the advancement of the arts, heritage, culture or science, the advancement of public participation in sport, the provision of recreational facilities, or the organization of recreational activities, with the object of improving the conditions of life for the personal for whom the facilities or activities are primarily intended, the relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage, any other purpose that may reasonably be regarded as analogous to any of the preceding purposes.

The principle objective of the charity during the year was that of property rental on behalf of its trustees. The properties are let to those individuals who are eligible under the trust deed.

The Trustees' have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and Performance

The charity has been able to provide accommodation for war veterans who suffer from financial hardship. All properties have been fully occupied and therefore the charity is very happy to provide this support for its members.

Financial Review

During the year, page 5 shows that the charity had a surplus of £980,100 (2021 – £8,635).

The fund still has a very healthy Balance Sheet with a closing fund of balance of £1,086,770 (2021 - £106,670). These reserves will be used for the individuals entitled to benefit from the fund. All funds are unrestricted.

Reserve Policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees' considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The trustees seek to maintain sufficient cash resources in case any significant damage ever happens to any of the properties.

The principal funding source is the rental income from the tenants.

The Trustees' has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

General risk

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the reserves at correct levels, combined with an annual review of the controls over the key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

Structure, governance and management

The Benevolent Fund is an unincorporated association and is constituted by the trust deed.

The Trustees' who served during the year and up to date of signature of the financial statements were:

Mr L Strachan – President
Mr A Black – Chair
Mr C Forbes – Secretary
Mr G Handsley – Vice Chair

Appointment of trustees is governed by the trust deed. The trustees are authorised to appoint new trustees to fill such vacancies arising through resignation or death of an existing trustee. The policy of the trust continues to be that of raising funds to meet the objectives. The trustees meet regularly to manage its affairs and all are involved in governing the day to day running of the trust.

The trustees meet regularly to manage its affairs and all are involved in governing the day to day running of the trust.

Induction and training is provided to new trustees from the remaining trustees.

Trustees Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland required the Trustees' to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principals in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees' are responsible for keeping sufficient 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 and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. 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.

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

The Trustees' report was approved by the Board of Trustees' on 23 February 2023.



A Black
Chair
Trustee



G Handsley
Vice-Chair
Trustee

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES'S OF THE ROYAL BRITISH LEGION
BANCHORY BRANCH – BENEVOLENT FUND

I report on the accounts of the charity for the year ended 31 October 2022 which are set out on pages 5 to 11.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

(a) which gives me reasonable cause to believe that in any material respect the requirements:

- (i) to keep accounting records in accordance with section 44(10) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations.
- (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;

have not been met or

(b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Shonagh L Fraser

On behalf of Hall Morrice LLP

Chartered Accountants

Aberdeen, 23 February 2023

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2022

	Note	Unrestricted Funds 2022 £	Total 2021 £
Income from:			
Capitation Fees		16,800	16,259
Donations and legacies		292	4,309
Investments	3	<u>28,783</u>	<u>32,523</u>
Total Income		<u>45,875</u>	<u>53,091</u>
 Expenditure on:			
Charitable activities			
Capitation Fees		16,800	16,259
Property maintenance		32,578	31,298
Property insurance		1,425	1,058
Functions for senior members and widows		4,134	-
Transport expenses		2,069	1,413
Donations to charitable and community groups		555	565
Administration Costs		2,301	-
General expenses		277	125
Independent examination fees		<u>600</u>	<u>420</u>
Total expenditure		<u>60,739</u>	<u>51,138</u>
Net (deficit)/surplus for year		(14,864)	1,953
Net gains on investments	6	<u>994,964</u>	<u>6,682</u>
Net movement in funds		980,100	8,635
Fund balances at 1 November 2021		<u>106,670</u>	<u>98,035</u>
Fund balances at 31 October 2022		<u>1,086,770</u> =====	<u>106,670</u> =====

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2022

	Note	2022		2021	
		£	£	£	£
Fixed Assets					
Investment properties	7		1,000,000		-
Investments	8		<u>49,907</u>		<u>54,943</u>
			1,049,907		54,943
Current Assets					
Debtors	9	1,392		1,263	
Cash at bank and in hand		<u>38,372</u>		<u>50,884</u>	
		39,764		51,147	
Creditors	10		<u>(2,901)</u>	<u>(420)</u>	
Net current assets			<u>36,863</u>		<u>51,727</u>
Net assets			<u>1,086,770</u>		<u>106,670</u>
			=====		=====
Income funds					
Unrestricted funds			<u>1,086,770</u>		<u>106,670</u>
			=====		=====

The financial statements were approved by the Trustees' on 23 February 2023



A Black
Chair
Trustee



G Handsley
Vice-Chair
Trustee

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

1. Accounting policies

Charity information

Royal British Legion – Banchory Branch – Benevolent Fund is an unincorporated association registered in Scotland.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees' have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees' in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

1. Accounting policies (Continued)

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales relates taxes.

1.5 Resources expended

All expenditure is recognised once there is a legal or constructive obligations so that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

1.6 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently they are measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment properties are accounted for as tangible fixed assets.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured of cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	25% straight line basis
Motor vehicles	25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

1. Accounting policies (Continued)

1.8 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Cash and cash equivalent

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

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognized in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortisation cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or service that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

2. Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees' are required to make judgements, estimates and assumptions about the carrying amount 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 period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

3. Investments

	Unrestricted	Total
	Funds	2021
	2022	2021
	£	£
Rental income	27,520	31,260
Income from unlisted investments	<u>1,263</u>	<u>1,263</u>
	28,783	32,523
	=====	=====

4. Trustees

None of the trustees' (or any persons connected with them) received any remuneration or benefits from the charity during the year.

5. Employees

There were no employees during the year.

6. Net gains on investments

	Unrestricted	Total
	Funds	2021
	2022	2021
	£	£
Revaluation of investment properties	1,000,000	-
Revaluation of investments	<u>(5,036)</u>	<u>6,682</u>
	994,964	6,682
	=====	=====

7. Investment properties

	2022	2021
	£	£
10 flats at St Ternan Place	1,000,000	-
	=====	=====

ROYAL BRITISH LEGION BANCHORY AND DISTRICT BRANCH
BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2022

8.	Fixed asset investments		Listed
			Investments
			£
	Fair value		
	At 1 November 2021		54,943
	Valuation Changes		<u>(5,036)</u>
	At 31 October 2022		49,907
			=====
	Carrying amount		
	At 31 October 2022		49,907
			=====
	At 31 October 2021		54,943
			=====

Fixed asset investments revalued

Investments are included at market value at the balance sheet date.

9.	Debtors		2022	2021
			£	£
	Other receivables		1,392	1,263
			=====	=====
10.	Creditors		2022	2021
			£	£
	Accruals and deferred income		600	420
	Loan due to Ravenswood Club		<u>2,301</u>	-
			2,901	420
			=====	=====

11. Related party transactions

During the year the charity paid the Royal British Legion Banchory and District Branch Social Club administration fees of £2,301 (2021 – none).