

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
FOR**

**ROYAL BRITISH LEGION SCOTLAND
HIGHLAND & ISLANDS AREA COUNCIL**

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for the year ended 31 October 2019**

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**REPORT OF THE TRUSTEES
for the year ended 31 October 2019**

The trustees present their report with the financial statements of the charity for the year ended 31 October 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and activities

The objectives of the Area Council are to promote the objects of the legion through the Branches in the Highlands and Islands.

The objectives are further defined as:

Branches

To bring about co-operation between ex-service men and women, and to establish branches of the legion.

Remembrance

To perpetuate the memory of those who died in the service of their country.

Disabled

To educate public opinion to the view that it is a national duty to ensure the maintenance of the disabled and the welfare of ex-service men and women and their dependents and that wherever possible these should be employed at an adequate remuneration commensurate with their ability.

Training and employment

To establish or support by financial or other means, including subscriptions for shares, suitable undertakings for the training and/or employment or otherwise for the benefit of ex-service men and women, whether such undertakings shall be situated in Great Britain and Northern Ireland, or elsewhere in the Commonwealth, and to do all that may be necessary or requisite to enable ex-service men and women or their dependents to take advantage of the opportunities offered by such undertakings.

Equality of opportunity

To obtain public recognition for the principle that ex-service men and women, in accordance with their qualifications are entitled to just and equitable treatment in all matters relating to the finding or provision of employment.

Pensions

To assist ex-service men and women and the widows, children and dependents of ex-service men and women in matters relating to pensions, grants, war gratuities, resettlement and rehabilitation.

Dependants

To promote the welfare of the women and children left by those who died in service of their country and to arrange for them to visit the graves of relatives killed in service.

Representation to governments

To promote representation of the needs of ex-service men and women, and their dependants, and of the widows and dependants of those who have served, to or in Parliament, Government and other Public Bodies.

Resettlement

To advise serving men and women in connection with their return to civilian life and promote the interests of their dependants while they are serving, except in so far as concerns their discipline, privileges and emoluments in money or in kind under the Regulations in force for the time being for the Armed Forces of The Crown.

**REPORT OF THE TRUSTEES
for the year ended 31 October 2019**

Fund raising

To appeal for and receive subscriptions and gifts of all kinds, whether absolute or conditional, for the objects of the Legion, and to obtain money for such objects by the organisation of entertainment, the sale of badges or other articles or by any other legal means, and for such purposes to advertise the Legion by any legal method that may commend itself to the National Board of Trustees, and, in particular, by the publication and sale of a Legion journal.

To raise and co-ordinate funds for the purpose of assisting ex-service men and women and their dependants, and to combine and/or co-operate with, takeover, amalgamate with, or absorb any other Society having objects which are similar to the objects of the Legion.

Monies to be used only for the Legion

To ensure that all monies raised or contributed from any source for the welfare of ex-service men and women or their dependants, or the widows, children and dependants of service men who died in the service of their country, are utilised for that purpose and not devoted to any other purpose (provided always that reasonable administrative expenses properly incurred in promoting the objectives of the Legion shall be deemed to be included in that purpose), and to apply and dispose of the capital and income of the monies and other property, whether heritable or moveable, from time to time vested in or belonging to the legion for and towards the proper and effective implementation of the aforesaid or similar objects or any of them.

Generally to do all things necessary or expedient or for the proper and effective implementation of any of the aforesaid or similar objects.

Principal activities

The Area Council supports all branches in the area and made donations to branches to be utilised from comradeship activities. Welfare visits are made to members that are confined to hospitals within the area.

Sporting activities

During the year the Area organised 12 sporting events between Branches in the Area, promoting comradeship and companionship between the members of the various Branches.

ACHIEVEMENT AND PERFORMANCE

During the year the Area Council have continued to support its members, giving advice on pensions and welfare matters.

They have also organised sporting activities between Branches, promoting comradeship and companionship between the ex-service members of the various Branches. They have also supported and encouraged members of the Tri-services cadet organisations, Army, Air Force and Navy, to take part in sporting activities held within the area. Thus making them aware of the aims and objectives of the Legion and encouraging them to support these aims and objectives.

The Area Council continue to hold an annual 'Best Kept War Memorial Competition' encouraging the Branches, in association with the Local District councils, to maintain War Memorials throughout the area thus perpetuating the memory of those lost in conflicts.

The Area Council have also, through Poppyscotland (formerly The Earl Haig Fund Scotland) given support to individuals in need of such.

Throughout the year, but primarily in November when members take part in 'Poppy Week' money is collected for Poppyscotland.

FINANCIAL REVIEW

Investment policy and objectives

The Area Council employs stockbrokers to manage the portfolio on an advisory basis. The objective is one of a balanced portfolio subject to a medium degree of risk. There are no specific investment restrictions or limitations applied to the portfolio. At a time of continuing uncertainty on the stock market there is no target return set but the value of the portfolio is benchmarked against the FT UK Government Securities Index, FTSE All Share Index and the FTSE 100 Share index. The Secretary/Treasurer of the Area Council is, when necessary, in periodic contact with the Investment Manager.

REPORT OF THE TRUSTEES
for the year ended 31 October 2019

FINANCIAL REVIEW

Reserves policy

It is the policy of the Area Council to retain sufficient funds in reserve to enable the council to continue to operate for at least two years in the event of incoming resources ceasing to exist.

FUTURE PLANS

The Area Council intend to continue with their activities and provide similar services in the future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Highland & Islands Area Council is constituted under the constitution of the Royal British Legion Scotland.

Recruitment and appointment of new trustees

Trustees are appointed each year at the Annual General Meeting. Those in office are, if approved, re-appointed by the Area Council. Any new appointment is approved by the Council.

Organisational structure

The Area Council meets three times each year in February, April and September. The Executive Committee meets in January, March, July and November.

Induction and training of new trustees

Guidance, advice and training will be given to new appointments on an individual basis by the Area Secretary as defined in "Guidance of Charity Trustees" published by OSCR.

Wider network

Although the Area Council is administered as an individual charity its operational policies are governed by the National Board of Trustees as detailed within the Constitution of the Royal British Legion Scotland.

Related parties

The Area Council forms part of the Royal British Legion Scotland with its Headquarters at New Haig House, Logie Green Road, Edinburgh EH7 4HR.

Executive members

The executive Office Bearers who served during the year are shown on page 4.

REFERENCE AND ADMINISTRATIVE DETAILS

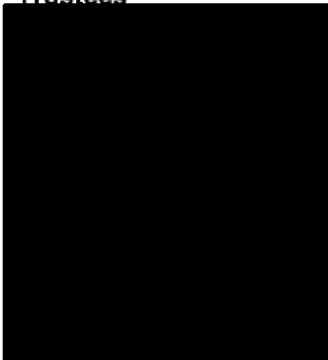
Registered Charity number

SC 004535

Principal address

Royal British Legion
Highlands and Islands Area
17 King Street
Inverness
IV3 5DF

Trustees



Welfare Coordinator
Area President
Vice-president
Chairman
Vice-chairman
Finance Convener

REPORT OF THE TRUSTEES
for the year ended 31 October 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Independent examiner

[REDACTED]
MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Bankers

Royal Bank of Scotland plc
Inverness Chief Office
29 Harbour Road
Inverness
IV1 1NU

Solicitors

Wright, Johnston and MacKenzie LLP
The Green House
Beechwood Park North
Inverness
IV2 3BL

Investment Adviser

M&G Charities
PO Box 9038
Chelmsford
CM99 2XF

TAXATION

The Area Council is a registered charity and is recognised as such by HM Revenue and Customs for taxation purposes.

As a result there is no liability to tax on any of its income.

Approved by order of the board of trustees on 10-1-2020 and signed on its behalf by:

[REDACTED]

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
ROYAL BRITISH LEGION SCOTLAND
HIGHLAND & ISLANDS AREA COUNCIL**

I report on the accounts for the year ended 31 October 2019 set out on pages six to thirteen.

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's 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 the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 seeking explanations from you as 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.

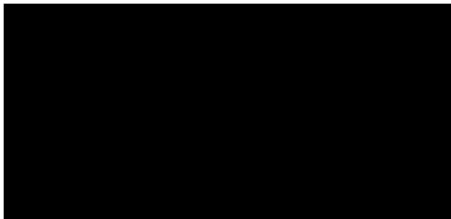
Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Mackenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Date: 10-01-2020

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 October 2019

		2019 Unrestricted fund £	2018 Total funds £
INCOME AND ENDOWMENTS FROM	Notes		
Donations and legacies		150	250
Charitable activities			
Capitation fees		28,100	26,703
Other trading activities	2	360	298
Investment income	3	3,072	4,231
Total		31,682	31,482
EXPENDITURE ON			
Charitable activities	4		
Disbursement of capitation fees		31,672	32,846
Total		31,672	32,846
Net gains/(losses) on investments		2,064	(3,973)
NET INCOME/(EXPENDITURE)		2,074	(5,337)
RECONCILIATION OF FUNDS			
Total funds brought forward		83,898	89,235
TOTAL FUNDS CARRIED FORWARD		85,972	83,898

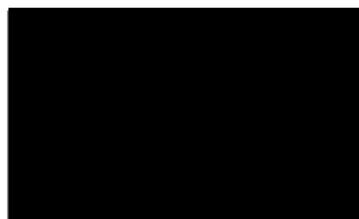
The notes form part of these financial statements

ROYAL BRITISH LEGION SCOTLAND
HIGHLAND & ISLANDS AREA COUNCIL

BALANCE SHEET
At 31 October 2019

	Notes	2019 Unrestricted fund £	2018 Total funds £
FIXED ASSETS			
Tangible assets	11	356	449
Investments	12	66,181	64,117
		<u>66,537</u>	<u>64,566</u>
CURRENT ASSETS			
Debtors	13	-	1,340
Cash at bank and in hand		21,309	20,364
		<u>21,309</u>	<u>21,704</u>
CREDITORS			
Amounts falling due within one year	14	(1,874)	(2,372)
NET CURRENT ASSETS		<u>19,435</u>	<u>19,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>85,972</u>	<u>83,898</u>
NET ASSETS		<u>85,972</u>	<u>83,898</u>
FUNDS	15		
Unrestricted funds:			
General fund		85,972	83,898
TOTAL FUNDS		<u>85,972</u>	<u>83,898</u>

The financial statements were approved by the Board of Trustees on 10-1-2020 and were signed  on its behalf by:



The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

An annual Capitation Fee is paid by each member, through their Branch, to Headquarters. The amount payable is determined at the Annual Conference each year. The Area receives one third of the capitation submitted to Headquarters annually.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category.

Governance costs

Governance costs are those costs incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Allocation and apportionment of costs

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 25% on cost

Tangible fixed assets are stated at cost, being purchase price, less accumulated depreciation.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 October 2019

1. ACCOUNTING POLICIES - continued

Liabilities

Liabilities are recognised in full as soon as any obligation arises.

Interest

Interest is included when receivable.

Investments

Investments are stated at fair value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

2. OTHER TRADING ACTIVITIES

	2019 £	2018 £
Sundry income	360	298

3. INVESTMENT INCOME

	2019 £	2018 £
Investment income	3,059	4,219
Deposit account interest	13	12
	<u>3,072</u>	<u>4,231</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 5) £	Support costs (See note 6) £	Totals £
Disbursement of capitation fees	29,828	1,844	31,672

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019 £	2018 £
Staff costs	16,155	20,866
Hire of plant and machinery	1,558	2,174
Rent	240	240
Sports expenses	5,002	1,396
Donations	33	250
Telephone	960	390
Postage and stationery	72	99
Travelling	2,521	2,900
Conference expenses	3,194	2,840
Depreciation	93	119
	<u>29,828</u>	<u>31,274</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 October 2019

6. SUPPORT COSTS

	Governance costs £
Disbursement of capitation fees	1,844

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 October 2019 nor for the year ended 31 October 2018.

Trustees' expenses

During the year to 31 October 2019 expenses of £247 (2018 - £550) were reimbursed to 3 (2018 - 3) trustees in connection with expenses incurred in attending meetings.

8. STAFF COSTS

	2019 £	2018 £
Wages and salaries	12,480	16,868
Social security costs	3,675	3,998
	<u>16,155</u>	<u>20,866</u>

The average monthly number of employees during the year was as follows:

2019	2018
<u>1</u>	<u>1</u>

No employees received emoluments in excess of £60,000.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Donations and legacies	250
Charitable activities	
Capitation fees	26,703
Other trading activities	298
Investment income	4,231
Total	<u>31,482</u>
EXPENDITURE ON	
Charitable activities	
Disbursement of capitation fees	32,846
Total	<u>32,846</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 October 2019

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £
Net gains/(losses) on investments	(3,973)
NET INCOME/(EXPENDITURE)	(5,337)
RECONCILIATION OF FUNDS	
Total funds brought forward	89,235
TOTAL FUNDS CARRIED FORWARD	83,898

10. INDEPENDENT EXAMINATION

	2019 £	2018 £
Independent examination	1,368	1,392

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 November 2018 and 31 October 2019	5,413	4,413	9,826
DEPRECIATION			
At 1 November 2018	5,217	4,160	9,377
Charge for year	29	64	93
At 31 October 2019	5,246	4,224	9,470
NET BOOK VALUE			
At 31 October 2019	167	189	356
At 31 October 2018	196	253	449

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 October 2019

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 November 2018	64,117
Revaluations	2,064
At 31 October 2019	<u>66,181</u>
 NET BOOK VALUE	
At 31 October 2019	<u>66,181</u>
At 31 October 2018	<u>64,117</u>

There were no investment assets outside the UK.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	-	1,340

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other creditors	1,874	2,372

15. MOVEMENT IN FUNDS

	At 1/11/18 £	Net movement in funds £	At 31/10/19 £
Unrestricted funds			
General fund	83,898	2,074	85,972
TOTAL FUNDS	<u>83,898</u>	<u>2,074</u>	<u>85,972</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	31,682	(31,672)	2,064	2,074
TOTAL FUNDS	<u>31,682</u>	<u>(31,672)</u>	<u>2,064</u>	<u>2,074</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 October 2019

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/11/17 £	Net movement in funds £	At 31/10/18 £
Unrestricted Funds			
General fund	89,235	(5,337)	83,898
TOTAL FUNDS	<u>89,235</u>	<u>(5,337)</u>	<u>83,898</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	31,482	(32,846)	(3,973)	(5,337)
TOTAL FUNDS	<u>31,482</u>	<u>(32,846)</u>	<u>(3,973)</u>	<u>(5,337)</u>

16. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 October 2019.

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 October 2019

	2019 £	2018 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	150	250
Other trading activities		
Sundry income	360	298
Investment income		
Investment income	3,059	4,219
Deposit account interest	13	12
	<u>3,072</u>	<u>4,231</u>
Charitable activities		
Capitation fees	22,370	26,703
Grants	5,730	-
	<u>28,100</u>	<u>26,703</u>
Total incoming resources	<u>31,682</u>	<u>31,482</u>
EXPENDITURE		
Charitable activities		
Wages	12,480	16,868
Social security	3,675	3,998
Hire of plant and machinery	1,558	2,174
Rent	240	240
Sports expenses	5,002	1,396
Donations	33	250
Telephone	960	390
Postage and stationery	72	99
Travelling	2,521	2,900
Conference expenses	3,194	2,840
Depreciation of tangible fixed assets	93	119
	<u>29,828</u>	<u>31,274</u>
Support costs		
Governance costs		
Legal fees	240	-
Independent examination	1,368	1,392
Payroll	236	180
	<u>1,844</u>	<u>1,572</u>
Total resources expended	<u>31,672</u>	<u>32,846</u>
Net income/(expenditure)	<u>10</u>	<u>(1,364)</u>

This page does not form part of the statutory financial statements