Charity Registration No. SC010844 (Scotland)

ROYAL BRITISH LEGION - BANCHORY BRANCH - BENEVOLENT FUND

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

ROYAL BRITISH LEGION - BANCHORY BRANCH - BENEVOLENT FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees'	Mr L Strachan - President Mr A Black - Chairman Mr C Collins - Vice Chairman Mr C Forbes - Secretary
Charity number (Scotland)	SC010844
Principal address	Banchory British Legion Ravenswood Club Ramsey Road Banchory Aberdeenshire AB31 5TS
Independent examiner	Murray, Taylor LLP 10 Murray Lane Montrose Angus DD10 8LF
Bankers	TSB Bank Banchory Branch 82 High Street Banchory Aberdeenshire AB31 5SS

ROYAL BRITISH LEGION - BANCHORY BRANCH - BENEVOLENT FUND

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ROYAL BRITISH LEGION - BANCHORY BRANCH - BENEVOLENT FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

The Trustees' present their report and financial statements for the year ended 31 October 2020.

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 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)

Objectives and activities
The prevention or relief of poverty, the advancement of citizenship or community development, the advancement of the arts, heritage, culture or science, the advancement of public participation in sport, the provision of recreational facilities, or the organisation 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 deficit of £4 (2019 - £6,002). This is mainly due to less maintenance costs this year.
The fund still has a healthy Balance Sheet with a closing fund of balance of £99,774 (2019 - £98,039). 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 principle 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.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

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 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 the date of signature of the financial statements were:
Mr L Strachan - President
Mr J Duguid - Vice President (Retired 31 December 2019)
Mr A Black - Chairman
Mr C Collins - Vice Chairman
Mr C Forbes - Secretary

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.

The Trustees' report was approved by the Board of Trustees'.

Mr A Black - Chairman
Chairman
Dated: 23 May 2021

ROYAL BRITISH LEGION - BANCHORY BRANCH - BENEVOLENT FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 OCTOBER 2020

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 requires the Trustees' to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity 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 principles 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 BRANCH - BENEVOLENT FUND

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES' OF ROYAL BRITISH LEGION - BANCHORY BRANCH - BENEVOLENT FUND

I report on the financial statements of the charity for the year ended 31 October 2020, which are set out on pages 5 to 12.

Respective responsibilities of Trustees' and examiner

The charity's Trustees' are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's Trustees' consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

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 in accordance 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(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
   (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.

R J Sim F.C.C.A.
Murray, Taylor LLP
Chartered Certified Accountant
10 Murray Lane
Montrose
Angus
DD10 8LF

Dated: 23 May 2021

ROYAL BRITISH LEGION - BANCHORY BRANCH - BENEVOLENT FUND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	Unrestricted funds 2020 £	Total 2019 £
Income from:			
Donations and legacies	3	3,759	6,578
Investments	4	30,995	28,571
Total income		34,754	35,149
Expenditure on:			
Charitable activities	5	33,019	41,151
Net gains/(losses) on investments	8	(1,739)	-
Net movement in funds		(4)	(6,002)
Fund balances at 1 November 2019		98,039	104,041
Fund balances at 31 October 2020		98,035	98,039

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 BRANCH - BENEVOLENT FUND

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Property, plant and equipment	**9**		-		336
Investments	**10**		48,261		50,000
			48,261		50,336
Current assets					
Trade and other receivables	**11**	1,330		914	
Cash at bank and in hand		48,864		47,209	
		50,194		48,123	
Current liabilities	**12**	(420)		(420)	
Net current assets			49,774		47,703
Total assets less current liabilities			98,035		98,039
Income funds					
Unrestricted funds			98,035		98,039
			98,035		98,039

The financial statements were approved by the Trustees' on 23 May 2021

Mr A Black - Chairman
Trustee

Mr C Collins - Vice Chairman
Trustee

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

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 Benefit 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 a 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.

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 the donation.

1 Accounting policies **(Continued)**

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 related taxes.

1.5 Resources expended

All expenditure is recognised once there is a legal or constructive obligation to 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 Property, plant and equipment

Property, plant and equipment are initially measured at 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.

1.7 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.

1.8 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.9 Cash and cash equivalents

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies **(Continued)**

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 recognised 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 recognised 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 amortised 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 services 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.

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 the revision and future periods where the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

3 Donations and legacies

	Unrestricted funds	Total
	2020	2019
	£	£
Donations and gifts	3,759	6,578

4 Investments

	Unrestricted funds	Total
	2020	2019
	£	£
Rental income	29,695	27,657
Income from unlisted investments	1,300	914
	30,995	28,571

5 Charitable activities

	2020	**2019**
	£	**£**
Depreciation	336	337
General expenditure	217	1,439
Functions for senior members and widows less recoveries	3,222	3,498
Donations to charitable and community organisations	618	881
Property insurance	1,051	1,051
Property maintenance	25,318	30,483
Transport expenses	1,837	2,022
Independant examination fees - examination of the accounts	420	420
Legal and professional fees	-	1,020
	33,019	41,151
	33,019	41,151

6 Trustees'

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

7 Employees

There were no employees during the year.

8 Net gains/(losses) on investments

	Unrestricted funds	Total
	2020	2019
	£	£
Revaluation of investments	(1,739)	-

9 Property, plant and equipment

	Computers	Motor vehicles	Total
	£	**£**	**£**
Cost			
At 1 November 2019	2,141	20,537	22,678
At 31 October 2020	2,141	20,537	22,678
Depreciation and impairment			
At 1 November 2019	1,805	20,537	22,342
Depreciation charged in the year	336	-	336
At 31 October 2020	2,141	20,537	22,678
Carrying amount			
At 31 October 2019	336	-	336

10 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 November 2019	50,000
Valuation changes	(1,739)
At 31 October 2020	48,261
Carrying amount	
At 31 October 2020	48,261
At 31 October 2019	50,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

10 Fixed asset investments **(Continued)**

Fixed asset investments revalued
Investments are included at market value at the balance sheet date.

11 Trade and other receivables

	2020	2019
Amounts falling due within one year:	**£**	**£**
Other receivables	1,330	914

12 Current liabilities

	2020	2019
	£	**£**
Accruals and deferred income	420	420

13 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).