INCORPORATION (SCIO) FACTSHEET JAN 2026

The main charity (The Royal British Legion Scotland SC003323) was incorporated with effect 31st October 2016. This means that our legal status has changed to that of an Incorporated Organisation reporting to OSCR as before.

Since our Incorporation, 41 Branches and two Areas have joined the SCIO.

HOW DO WE KNOW IF OUR BRANCH HAS JOINED ALREADY?

If your branch is using SC003323 as their registered charity number, then it is part of the SCIO. You can contact Head Office at any time to verify your Branch status.

ADVANTAGES TO JOINING THE SCIO

- **Protection for your Office Bearers**

As part of the SCIO, The National Board of Trustees in effect become the Branch trustees and the current Branch trustees or committee become the Office Bearers with the total responsibility of the day to day running of the Branch.

They are all protected from incurring personal liability however, as in any other corporate body this protection is not absolute. If the trustees have been reckless negligent or acted illegally and outside their powers, they may still be held accountable. As long as they act within the law, they, and their personal assets, are protected from claims arising from the charity's liabilities.

- **Provision of Public Liability and Insurance**

All Branches who have joined the SCIO automatically have Employer's Liability and Public Liability in respect of their involvement in local events (i.e., fundraising, coffee mornings, Remembrance) under the Head Office policy. Branch property, tenants' improvements, Branch standards are <u>not</u> covered, and the Branch is still required to have their own policy for these assets.

- **Exemption from Registers of Scotland annual submission (for Persons Holding a Controlled Interest in Land)**

RCI is a Registers of Scotland register, which launched in April 2022. Those within scope must (by law) submit an entry to the register by the 24th of April 2023 or face a fine of up to £5,000. Submissions must then be made on an annual basis to ensure records are up to date. SCIO's are not required to submit the annual entry to the register, they are out of scope. Those Branches who have joined the SCIO will therefore be relieved of the annual requirement to update their entry on the register.

- **Annual Cost Savings on accounting administration**

Branches who join the SCIO do not have to have their accounts independently examined/audited. All SCIO Branch accounts submitted become part of the RBLS annual audit. This helps reduce costs and administration for the Branch.

- **Assistance with Gift Aid claims**

Branches may claim Gift Aid on membership fees they charge over and above the £15 capitation rate for eligible members who have signed and dated a declaration. Head office will automatically claim back Gift Aid for Branches that are part of SCIO. This reduces administration at a local level and helps assist the Branch with additional income.

- **Transparency with OSCR?**

Legislation governing charities in Scotland ((the Charities and Trustee Investment (Scotland) Act 2005 had now been revised by the Charities (Regulation and Administration) (Scotland) Act 2023. In future OSCR will have additional powers to intervene with charities that are falling short of their regulatory duties, including submission of accounts, and may remove them from the Charity Register. Joining SCIO ensures accounts are submitted on time, full transparency and regular reporting on regulatory duties and provides peace of mind for the Branch.

HOW DOES A BRANCH JOIN?

1. You should put the decision to your members by holding an SGM, minutes must be taken to evidence the members vote if they are in support of proceeding.
2. When ready to proceed, you should contact our Accounts Manager Lorna Kane, on 0131 550 1548 or email l.kane@legionscotland.org.uk.
3. You will be provided with guidance notes and an application form which has 8 questions.
4. Once you have completed the application it should be returned to Head Office for checking and will then be sent to OSCR on your behalf.
5. When OSCR complete the processing of your form, the Branch will be removed from the charity register and come under SCIO SC003323.
6. OSCR provide notification of the change to both Branch and Head Office.

WHAT CHANGES ONCE THE BRANCH COMES UNDER SCIO SC003323

The Branch must complete final accounts as of 31st October and submit these to Head Office within 10 days of the financial year end. The financial activity will be reported to Head Office (guidance notes will be issued to those who join), for inclusion and reporting under the main SCIO SC003323. This is earlier than the submission deadline for non-SCIO Branches of 1st March (Constitution Clause 27.4).

You will be required to update your bank on any changes, including the charity number and name and you should ensure the correct charity number SC003323 is used on all correspondence and printed materials.

Otherwise, it should be business as normal for the Branch.

FAQs

WHAT HAPPENS TO OUR MONEY AND ASSETS?

The Branches who join continue to act independently and operate their own bank accounts using their nominated signatories as before. Their assets are reflected in the main charity accounts of SCIO SC003323 but shown as designated funds for use exclusively by the Branch in accordance with our constitution and objectives. Assets are transferred to the charity **on paper only** and continue to be operated by the individual Branch.

WHAT HAPPENS IF THE BRANCH CLOSES?

It will continue to be the case that all funds and assets owned by a Branch within the SCIO will be disposed of, sold or utilised at the discretion of the Area Council under the supervision of the NBT. All expenses incurred in connection with the dissolved Branch, whether by the Area or otherwise, will be met from the Branch's Fund in the SCIO.

In the event that the Branch remains closed, and no new Branch is formed in the same locality within three years, then the Branch's Fund will remain within the SCIO re-designated for the Area for use at the discretion of the Area Council.

CAN WE JOIN AT ANY TIME?

A Branch can join the SCIO at any time in the year, but it is best to ensure the joining date is agreed mutually between the Branch and the SCIO to ensure the transition is smooth.

WHAT IF WE JOIN AND THEN CHANGE OUR MIND?

Branches that join are relinquishing their charitable status and becoming part of the SCIO. For a SCIO there is no basis for removal from the register other than dissolution or amalgamation with another existing SCIO. Therefore, there is no opportunity for those who become part of the SCIO to revert to the status as an independent charity.

SUMMARY

Becoming part of the SCIO is voluntary and Branches joining will not be affected in any way whatsoever in the use, control, or decisions affecting their finances provided of course these are done within our constitution, aims and objectives. Branches who have already joined have found the process straightforward and easy to complete and it has provided peace of mind for the day to day Branch administration.