

Company Registration No. 4544532 (England and Wales)
Charity Number 1095308

VETERANS AID
(Formerly known as Ex-Service Fellowship Centres)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009

VETERANS AID

CONTENTS	Page
Legal and administrative information	1
Chairman's report of activity	3
Chief Executive's report and plans	4
Trustees' report	5
Independent auditor's report	13
Statement of financial activities	15
Balance sheet	17
Notes to the financial statements	18

VETERANS AID

LEGAL AND ADMINISTRATIVE INFORMATION

The Trustees who served during the financial year and to the date the Report of the Trustees was signed were as follows:

Trustees

Brigadier J F Rickett CBE FInstD (*President and Chairman*)
R P Clinton FSI FCT (*Honorary Treasurer*)
R Evans DipArch RIBA (*Honorary Surveyor*)
Group Captain M J Armstrong FHCIMA (*resigned 6 October 2009*)
M R Berry FRGS Cert Ed (*resigned 22nd April 2010*)
Lieutenant Colonel E F Kohn TD BSc FCIM FIMgt FInstD
Wing Commander A K M Smith (*resigned 16 April 2009*)
Captain I B Sutherland RN MIPD (*resigned 22 April 2010*)
Mrs Margaret Mervis, Barrister (*appointed 11 December 2008*)
Colonel Paul Cummings (*appointed 6 October 2009*)
Wing Commander Stuart Cairns (*appointed 6 October 2009*)

Management

Wg Cdr Dr Hugh Milroy BTh, MA, PhD FRSA (*Chief Executive*)
Colonel Geoffrey Cardozo MBE (*Company Secretary*)
Flight Lieutenant John Smith (*Administrator*)
Richard Greenhough BCom ACMA (*Finance Manager*)
Pat O'Connor MBE (*Hostel Manager*)

Finance and Legal

Legal Advisors:

Ashurst LLP
Solicitors
Broadwalk House
5 Appold Street
London EC2A 2HA

Auditors:

Saffery Champness
Chartered Accountants
Lion House
Red Lion Street
London WC1R 4GB

Stockbrokers:

Savoy Investment Management Limited
7 Hanover Square
London W1S 1HQ

Bankers:

HSBC Bank Plc
60 Queen Victoria Street
London W1S 1HQ

Lloyds TSB plc
1 Butler Place
London SW1H 0PR

Close Brothers Limited
10 Crown Place
London EC2A 4FT

VETERANS AID

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office	40 Buckingham Palace Road Victoria London SW1W 0RE
Company No	4544532
Charity No	1095308
Constitution	Veterans Aid is a registered charity and a company limited by guarantee, registered in England and Wales. It is governed by its memorandum and articles of association dated 25 th September 2002.
Subsidiaries	Veterans Aid (Services) Ltd, company registration number 06096959, is a wholly-owned subsidiary, currently dormant. It has not traded during the year. Hollenden House, charity number 1095308-1, and New Belvedere House, charity number 1095308-2, are wholly-owned subsidiary charities, currently dormant. Neither has traded during the year nor holds any assets at the year-end. Under a uniting direction issued by the Charity Commission dated 3rd June 2003, these subsidiary charities are not required to prepare a separate Annual Report and Financial Statements.

VETERANS AID

CHAIRMAN'S REPORT OF ACTIVITY FOR THE YEAR ENDED 30 SEPTEMBER 2009

Like last year, the reporting period has again been challenging and rewarding. The demand for our services and the numbers of customers needing help continues its slow rise as in previous years, reflecting the increasing needs in times of recession and of high profile but controversial current military operations. We are still seeing Foreign & Commonwealth ex-Servicemen and women although their numbers are dropping slightly. However, as the year ended and following the high profile campaign over Gurkhas' rights to settle in the United Kingdom, we are beginning to see Gurkha servicemen arriving in the United Kingdom with, or about to be joined by, their families; some of them are already starting to use our services. The reality is that getting through United Kingdom immigration procedures is only the very first part of the process. There is a great deal more work that needs to be done if they are to be successfully and securely settled in this Country.

Our work in the past to improve the efficiency and effectiveness of our operational base is now paying off. Our mix of well-trained and experienced professionals and volunteers has lead to an increase in the numbers of ex-Servicemen that have successfully left our hostel or have become self-reliant. The numbers of successful move-on cases from New Belvedere House are up and evictions are well down.

The profile of the Charity has improved immensely and has resulted in a significant increase in assistance being given to us either financially or in other ways. Our public image has never been better with the general public, the media and within the Armed Services although, in this last sector, knowledge of our work requires improvement in some areas. We are focusing on this. We have also provided assistance following requests from overseas.

In conclusion, we have had another successful year meeting new challenges and building on past operational work and training. Much is still to be done and we need to expand further to meet the needs that are increasing against the background of recession and future economic hardships, and of recent military high intensity and stressful military operations. In all this, both I and many of our homeless veterans are more than grateful for the hard work, initiative, common-sense, and good humour of our staff.

Brigadier J F Rickett CBE
President and Chair

VETERANS AID

CHIEF EXECUTIVE'S REPORT AND PLANS FOR THE YEAR ENDED 30 SEPTEMBER 2009

It hardly seems possible that a year has passed since I last reported on our achievements and I think that it is testament to how busy the Charity has become that I am shocked at the speed at which this annual event has reappeared! The raising of our profile has, as predicted, ensured very full days for all of our staff and volunteers. From every perspective, the Charity has performed well under this pressure. Much of this has been due to a transformation of our Charitable ethos from "hand-out" to "hand-up". Underpinning this has been a solid investment in staff training, improvement of our support facilities and the development of a corporate willingness to go the "extra mile" for our clients. The aim of this effort being to ensure that those who "graduate" from our hostel system are not set up to fail. Our lack of recidivism and extension of our Supporting People contract speaks volumes for this increased effort particularly within the field of addictions. In short, we have become a centre of excellence.

Veterans Aid has been seeking to re-focus itself on its core work, and the Trustees decided that the operation of the Whitworth House retirement flats in East Sussex was a peripheral activity and that, provided suitable arrangements could be made for the future of our tenants there, we should seek to dispose of the property and make the funds raised from the sale available to help in the creation of a new National Centre for Homeless Veterans (NCHV) in Central London.

By far the largest part of the management effort this year has gone into the disposal of Whitworth House. This proved to be both complex and expensive; however, it was completed at the very end of the financial year. As ever, in any transaction of this magnitude certain land issues were not straightforward and life became more problematic when our solicitor suddenly left the firm. A great deal of effort went into ensuring that our tenants were prepared for the change including a briefing and the involvement of the local SSAFA Branch.

The Trustees also decided that we should seek a professional valuation of our freehold hostel premises in Stepney, to allow the reflection of their current value in the accounts. These accounts therefore include both the sale of Whitworth House and the revaluation of New Belvedere House, resulting in a significant one-off effect on the Statement of Financial Activity (SOFA) and Balance Sheet, and the accounts should be read with this in mind.

Now we are poised to move to the next phase of our plan. Selling Whitworth House will allow us the financial freedom to find new premises for the NCHV as the current offices are no longer fit for purpose. Effectively, our current facility, despite its size, is to all intents and purposes, already the NCHV. However, we need to expand the facility to include interview rooms where our advocacy and substance misuse services can operate with appropriate confidentiality, showers and changing rooms, a comfortable waiting area with computer access so that clients can preserve their dignity and relax in a modern facility. Much effort has already gone into ensuring that project and future running costs are kept to a minimum. This is an exciting time for the Charity as this will be a fit for purpose facility where we can develop even more effective client services.

Wing Commander Dr Hugh Milroy
Chief Executive

VETERANS AID

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

The Trustees present their Annual Report on the affairs of the Charity, together with the Financial Statements and Auditor's Report for the year ended 30 September 2009. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the Annual Report and Financial Statements of the Charity.

Principal objects and activities

The objects of Veterans Aid, as stated in its Memorandum of Association, continue to be to offer support to vulnerable veterans (ex British Armed Forces or Merchant Service) who, through homelessness or other adverse circumstances, are in need and who require supported accommodation and skilled help in order to be able to achieve a settled way of life and their future well-being in society.

Aim of Veterans Aid

To help its clients achieve their own maximum potential to live and develop in the community by swift intervention and addressing their needs holistically.

Mission

Our mission is to:

- develop our capabilities to respond effectively to vulnerable Veterans by using best practice and providing quality care,
- make innovative approaches to the problem of homelessness among Veterans,
- recognise the dignity of each person whom we seek to help, and
- develop our staff team to their utmost potential.

Overall Statement of Public Benefit

In setting the objects and activities of the charity, the Trustees have given careful consideration to the Charity Commission's general guidelines concerning public benefit. In particular the Charity has focused on ensuring that levels of recidivism are reduced among those who "graduate" from its facilities and that the numbers who require longer-term assistance are reduced by a policy of "swift intervention" to stop clients becoming hardened street-dwellers; the current work with Gurkhas is targeted directly at this scenario.

The public benefit arises directly from overall cost savings to society as a whole as the through-life costs to support a homeless person are often very high; for example when intensive care such as detox is required. Each client is likely to have accessed NHS, Benefits Agency and other charitable organisations prior to coming to the Charity. Clearly, successful interventions will reduce this cost. Our methodology has a national impact across Government agencies such as the NHS as clients come from all over the Country. Equally, the Charity has been called upon provide advice internationally. The methodology can be demonstrated in various ways:

- **Substance misuse.** During the reporting year, 60 clients were placed in substance misuse programmes across the Country. This was frequently done at short notice in marked contrast to the norm within the current care system. The policy of "swift intervention" recognises that with substance misuse, there is often a window of opportunity for those with addictions and that failure to seize this opportunity and robustly address the addictions will ultimately lead to failure and further financial burdens society-wide.

VETERANS AID

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Overall Statement of Public Benefit (continued)

- **Holistic approach.** Most clients who approach the Charity have dual or treble-diagnosis problems that overlap and add complexity to the intervention strategies. Few charities or Government agencies are structured to deal with such problems in a holistic manner. The Charity has a powerhouse of expertise that can be called upon to work in concert to ensure that few “graduates” end up back on the streets e.g. social workers, barristers, psychiatrist and a substance misuse specialist. Frequently, help is sought from other specialist agencies on a national basis. Overall, the Charity placed 150 clients into some form of accommodation, only five of whom returned to their previous existence.
- **Raising awareness and appreciation of the Charity’s capability.** Much effort has gone into raising awareness of the Charity within the military, the homeless sector, the Veteran community (5.5million) and across society at large. This was planned to assist the Charity in its efforts to prevent people becoming homeless in the first place and to act quickly, where possible, to ensure that Veterans arriving on the streets did not become hardened street-dwellers. The Charity strives to foster links with a wide variety of providers to ensure proper bench-marking and service improvement at all points along the client pathway. The Supporting People process has been particularly useful for this exercise as it represents the national standard. Notwithstanding public perceptions of homeless Veteran statistics, the percentage of Veterans among the homeless contacting London agencies has dropped to 4% of the total. The Charity has played a major part in this reduction displaying clear public benefit.

Reputation

The reputation of Veterans Aid has blossomed significantly in this last reporting period. Despite its size, the Charity has permeated both public and private awareness, nationally and internationally. Veterans Aid staff have had regular contact with Ministers, the media, other charities, the general public and key stakeholders. Notable publicity has been achieved and coverage of our work in the print, radio and TV media has helped keep the Charity in the public eye. This has helped with fundraising which now comes regularly from the serving Armed Forces and the general public. The Chief Executive is also working with the Howard League for Penal Reform looking into the problem of Veterans in the criminal justice system with the ultimate aim of reducing the numbers involved. Many visits have taken place as the lack of recidivism, coupled with our low-cost base becomes more widely known; in particular, a visit from senior NHS personnel noted the possible wider application of the Charity’s *modus operandi*. The DVD entitled “Roy’s Story”, a compelling account of one individual’s return from the brink, has had an astonishing effect in portraying how a Veteran can be taken from desperation to rehabilitation and re-establishment by VA’s small team. Inevitably, the small premises in Victoria are no longer fit for purpose as success has meant more staff and volunteers having to work from this location. In accordance with the business plans, the Charity is now seeking premises that will enable its staff to operate more effectively and afford more dignity to those using its services.

Organisational Structure

The Charity is wholly UK based with its head office in Victoria, and its hostel (New Belvedere House) in Stepney, both in London. It supports Veterans in London and across the Country and it provides advice to Veterans living abroad. Trustees determine the general policy of the Charity. The day-to-day management is delegated to the Chief Executive, to whom report the Secretary, Administrator, Finance Manager and Hostel Manager.

VETERANS AID

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Recruitment, induction and training of trustees

Veterans Aid seeks to have a Trustee Council that reflects the community it works in and whose members have the necessary skill and commitment to provide the good governance to achieve its objectives. The Charity has a formal recruitment process, which includes advertising in relevant journals, an interview with the President, briefing by the Chief Executive and staff, a visit to watch the operation in action and approval by the full Council. Trustees are provided with a handbook which outlines objectives, structure, responsibilities and governance, and which they are required to sign as having understood. Trustees are circulated with, and abide by, articles on good governance and updates on activities as appropriate. Appropriate training is provided where necessary to ensure that trustees are suitably skilled to support the Charity's clients.

Review of activities

During the reported year, Veterans Aid has made further great strides in providing support, often immediate and sometimes permanent, through supported accommodation, general and skilled advice for those Veterans, or their loved ones, in need. The Trustees fully understand the requirements to ensure public benefit and believe that the work of the Charity amply demonstrates an often immediate effect on the lives of its beneficiaries (and often their loved ones). Positive long-term outcomes can be illustrated by the many accounts of those veterans who have re-entered society able to live without, or with only minimal, support. Where necessary, handover to other agencies is a key factor in our lack of recidivism.

Performance

The range of services, which are provided by social workers, a substance misuse worker, outreach specialists, a psychiatrist, a tenancy sustainment officer, barristers and highly trained key-working staff, is delivered by a mix of skilled volunteers and full-time professionals. Key funders include: London Borough of Tower Hamlets (LBTH), the Royal British Legion, the Army Benevolent Fund (The Soldiers Charity), Seafarers UK, and the RAF Benevolent Fund.

The Charity continues to use a number of performance measures to ensure that its activities achieve its aims; in particular, this focuses on the Supporting People programme because this provides bench-marking and standards on a national basis and provides 34% of the funding for New Belvedere House. Supporting People finances have ceased to be ring-fenced within the Local Authority system and its continuance is directly related to performance. Therefore, our key measures are related to the maintenance of this revenue source and of the nationally agreed standards. They are:

- success in the Supporting People process;
- numbers of empty rooms in New Belvedere House (NBH);
- number of evictions;
- number of planned moves.

Performance statistics

- **Supporting People** - full accreditation with a 12 month extension from LBTH.
- **NBH** - 99.5% room occupancy.
- **Evictions** - 36% drop in evictions on previous year.
- **Planned moves** - 23% rise in planned moves on previous year.

VETERANS AID

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Income and investment

The Independent Commission of Good Governance in Public Services, the National Housing Federation and the Housing Corporation are advising the formulation of Board policy on income, investments, reserves and risk management. As in most organisations, with Veterans Aid's operations, these subjects are interdependent and so are addressed within this one report, which seeks to fulfil the requirement and deals with:

- analysis of the subjects in question and formulation of related policy;
- management and control systems; and
- reviews.

Analysis

- **Income.** Veterans Aid realises its income from Supporting People payments, rents and housing benefits, grants, donations, events, legacies and investment income. Sufficient income needs to be generated to cover the operating costs of the Charity which are : staff costs, property maintenance, utility charges, insurance, depreciation and other sundry costs.
- **Investments.** Veterans Aid investments stand at £1.37m, with a further £104k in accrued income and uncommitted cash deposits held in the portfolio. With an agreed investment policy and a continual dialogue with the Honorary Treasurer and Chief Executive, the Charity portfolio is managed on a discretionary management basis by Savoy Investment Management.
- **Liquid Assets.** The liquid assets of Veterans Aid are divided into:
 - **Unrestricted Funds.** The bulk of the charity's net current assets are unrestricted, as detailed in Note 14 to the Accounts.
 - **Restricted Funds.** A proportion of the Charity's tangible fixed assets are apportioned to the restricted funds, as detailed in Note 14 to the Accounts.
 - **Permanent Endowment.** The proceeds of the sale of the Hollenden House site are held under permanent endowment and are represented by the quoted investments and a proportion of the current assets. These, in addition to proceeds from the sale of Whitworth House may be used to purchase replacement property.
- **Income and Expenditure Balance.** The annual income of the Charity is approximately £977k, excluding the one-off gain on the sale of Whitworth House and unrealised gains on premises and investments. The intent is that expenditure should match this figure, with an aim to break even in its annual operation. In the year to September 2009, with the charity developing its activities, expenditure grew more rapidly than income and it was necessary to draw some £93k from reserves to make up the deficit. Action is being taken to restore the broad balance in future years.

Income policy

- **General.** The overall policy regarding the income of the Charity is the generation - through the income it obtains through Supporting People, rent and housing benefit payments, and the grants, donations and legacies it receives - of enough revenue to enable it, in conjunction with its income from investments, to maintain its charitable work without interruption.
 - **Investment Income.** The aim of the investments of the Charity should be to produce the income necessary to bridge any gap between annual income and expenditure that may arise.
 - **Operating Grants.** The Charity is in the fortunate position of being able to approach the Service Benevolent Funds to provide operating grants sufficient to overcome short-term operating deficits.
-

VETERANS AID

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Investment Policy

- **Discretionary Management – overall guidelines.** Savoy Investment Management has been given discretionary powers of management, with the following overall guidelines over the portfolio of the Charity.
 - The overall aim should be, firstly to produce the income required to maintain the viability of the Charity, and then to seek secure growth.
 - Until an annual investment income of approximately £40k is secured, investment should be in gilts and other secure bonds and cash.
 - When the annual income required to secure the viability of the Charity is reached, investment for growth is to be pursued, but only in equities or other such instruments which provide medium to low risk.
 - There is to be no investment in any company, fund, or organisation, the aims of which are contrary to the aims of the Charity, and Trustees reserve the right to ask for specific exclusions in the future if appropriate.
- **Reports.** Savoy Investment Management is requested to submit an investment report for each meeting of the Council, usually held in June and December of every year. Reports are made regularly to the Honorary Treasurer, who presents each report to Council, together with any recommendations for review that may be considered prudent.

Reserves Policy

The Charity needs to have in reserve sufficient capital to guard against an unforeseen reduction in income, taking account of its need to meet the continuing costs of operating the Charity's main roles in providing hostel accommodation, rehabilitation and emergency care for homeless veterans. The historic consistency in both income streams and expenditure relating to that role, reflects the low risk which attaches to the Charity's income, much of it coming from local government sources and from its investments. The Charity's current financial position and degree of risk supports a level of unrestricted reserve equivalent to 6 months' operating costs. This will be reviewed regularly by the Trustees.

The actual value of unrestricted reserves of the Charity at 30 September 2009 is £998,351. The Trustees estimate that 6 months' operating costs at the present level of operations are some £500,000. This sum has been retained in *General Funds* in line with policy. The remaining unrestricted reserves, amounting to some £498,351, have been designated by the Trustees towards the provision of a new National Centre for Homeless Veterans in Central London, which had been an in-year project; however, due to a delay in the sale of Whitworth House (finally completed in September 2009) the project has been taken forward into the new financial year, when an active search for suitable premises is being undertaken.

Risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity and standards to be maintained under the Supporting People strategy administered by London Borough of Tower Hamlets, and are satisfied that systems are in place to counter or mitigate exposure to these risks. Recognising that the Charity is continuing to grow in operation and complexity, further work on risk has been commissioned for 2010.

VETERANS AID

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Fiduciary Failings. The Charity has enjoyed a long period of absolute integrity on the part of its staff. Nevertheless, insurance cover will be retained.

Supporting People - a national standard. The Supporting People programme represents the Government element of funding for homeless people, allocated through the London Borough of Tower Hamlets. Unlike the nationally funded housing benefit, it is a local fund. It carries with it a burden of standards, including frequent inspection. It represents 34% of the funding received for New Belvedere House.

- **The Risk.** Therefore, there is a significant requirement for risk management, care standards, and procedures, and Health and Safety matters to be addressed in detail under the *Core Service Objectives*, related to the Supporting People policy laid down by the Department of Communities and Local Government, through the local authority. Failure to achieve standards will result in funding being withdrawn. Equally, changes in the Local Authority or Government Policy may result in this funding being removed.

Finance and Accounting Review

The Charity has £4,988,609 of net assets (2008 : £3,075,004), of which £2,115,686 (2008 : £1,141,418) are tangible fixed assets. The increase in tangible fixed assets is partly a result of a professional revaluation of the New Belvedere House premises. The charity has £430,153 (2008 : £556,041) of cash balances available at one months notice or less. The majority of the cash balances are held in deposit accounts.

Funds

As detailed in notes 11 to 13 of the financial statements, the charity has reserves classified as follows :

- **Permanent Endowment (note 11).**
This represents the endowment of the former Hollenden House property in East Sussex. Hollenden House itself was sold in 2005, and the remaining proportion of the freehold land, on which stands Whitworth House, was sold in September 2009. The proceeds from the Hollenden sale are held in quoted investments, while the proceeds from the Whitworth sale, when received, will be held in bank deposit accounts pending the location of suitable premises for the National Centre for Homeless Veterans in Central London.
- **Restricted Funds (note 12).**
Restricted funds are as follows :
 - i) Professional Support Co-Ordinator – monies granted to fund a dedicated PSC to work with residents at VA's homeless hostel, New Belvedere House.
 - ii) Outreach Worker – monies granted to fund a dedicated Outreach Worker based at the London Relief Centre
 - iii) Detox Programme – monies granted to provide residential care and support for clients suffering from addictions
 - iv) GLC Grant – monies provided to acquire a new homeless hostel following compulsory purchase of the former premises at Belvedere House
 - v) Housing Association Grant – monies provided for the refurbishment and extension of New Belvedere House
 - vi) New Belvedere House Extension Fund – money provided by various donors for the refurbishment and extension of New Belvedere House

VETERANS AID

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Funds (Continued)

- **Unrestricted Funds (note 13).**

Unrestricted funds are as follows:

- i) General Fund – represents an estimated six months operating costs of the charity.
- ii) Development Fund – represents monies designated by the Trustees for the initial development phase of the National Centre for Homeless Veterans in Central London.

Statement of Trustee's Responsibilities

The Trustees (who also the Directors of Veterans Aid for the purposes of company law) are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure of the company 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware, there is no information that has not been disclosed to the Charity's auditors and each of the Trustees believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Charity's auditors have been made aware of that information.

VETERANS AID

TRUSTEES' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2009

Auditors

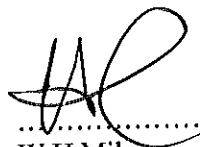
A resolution proposing the re-appointment of Saffery Champness will be put to the Annual General Meeting in April 2010.

Approved by the Trustees on 22 April 2010 and signed on their behalf by



.....
Robert P Clinton
Trustee

22 April 2010



.....
W H Milroy
CEO

22 April 2010

VETERANS AID

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 SEPTEMBER 2009

We have audited the financial statements on pages 15 to 30. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

VETERANS AID

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 SEPTEMBER 2009

Opinion

In our opinion:

- the financial statements give a true and fair view of the charity's state of affairs as at 30 September 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.



Cara Turtington (Senior Statutory Auditor)
For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors

.....
Lion House
Red Lion Street
London
WC1R 4GB

22 April 2010

VETERANS AID

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total 2009 £	Total 2008 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income:						
Donations and legacies including Gift Aid		165,474	-	-	165,474	146,786
Grants (for core funding)		26,225	-	-	26,225	43,625
Activities for generating funds:						
Fundraising and sundry		64,643	-	-	64,643	44,508
Investment income		58,084	-	-	58,084	76,791
<i>Incoming resources from charitable activities:</i>						
Grants (specifically related to service provision)		46,588	79,472	-	126,060	96,771
Supporting People Programme		166,093	-	-	166,093	164,043
Rent and housing benefit		371,332	-	-	371,332	305,918
Realised gain on disposal of fixed assets	1.6.2	461,550	-	330,130	791,680	-
Total incoming resources		1,359,989	79,472	330,130	1,769,591	878,442
Outgoing resources						
<i>Costs of generating funds</i>						
Fundraising/event costs		35,832	-	-	35,832	31,663
Investment management fee		7,848	-	-	7,848	13,683
<i>Charitable activities</i>						
Hostel accommodation and support for homeless veterans		447,146	53,511	-	500,657	509,426
Provision of accommodation for elderly veterans/couples		51,184	-	-	51,184	48,475
Rehabilitation and emergency care for homeless veterans		300,404	124,815	-	425,219	315,619
Governance costs		50,536	-	-	50,536	49,613
Total resources expended	2	892,950	178,326	-	1,071,276	968,479
Net incoming/(outgoing) resources before transfers		467,039	(98,854)	330,130	698,315	(90,037)
Transfers between funds		(73,505)	73,505	-	-	-
Realised (loss)/gains on disposal of investments		-	-	(4,239)	(4,239)	6,717
Net incoming/(outgoing) resources before revaluations carried forward		393,534	(25,349)	325,891	694,076	(83,320)

VETERANS AID

STATEMENT OF FINANCIAL ACTIVITIES (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2009

	Notes	Unrestricted Funds £	Restricted Funds £	Permanent Endowment £	Total 2009 £	Total 2008 £
Net incoming/(outgoing) resources before revaluations brought forward		393,534	(25,349)	325,891	694,076	(83,320)
Unrealised gains on revaluation of freehold premises	6	-	1,068,710	-	1,068,710	-
Write-back of accumulated depreciation on freehold premises	6	-	116,122	-	116,122	-
Unrealised gains/(losses) on revaluation of investments	7	-	-	34,697	34,697	(214,064)
Net incoming/(outgoing) resources for the year		393,534	1,159,483	360,588	1,913,605	(297,384)
Total funds brought forward		604,817	945,368	1,524,819	3,075,004	3,372,388
Total funds carried forward	14	998,351	2,104,851	1,885,407	4,988,609	3,075,004

The statement of financial activities contains all gains and losses for the year. All activities relate to continuing operations.

The notes on pages 18 to 30 form part of these financial statements.

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2009

	2009 £	2008 £
Gross income	977,911	878,442
Realised gains/(losses) on disposal of fixed assets	461,550	-
Total income	1,439,461	878,442
Total expenditure	1,071,276	968,479
Net income/(expenditure)	368,185	(90,037)

Total income comprises £898,439 for unrestricted funds and £79,472 for restricted funds. A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities.

Expenditure before asset disposals comprises £892,950 for unrestricted funds and £178,326 for restricted funds.

This income and expenditure account excludes all movement on the Charity's permanent endowment fund so as to comply with the requirements of Companies Act 2006. As shown on the Statement of Financial Activities, the realised gain on disposal of fixed assets relating to the permanent endowment fund amounts to £330,130; this figure is the difference between the Net incoming resources of £698,315 on the Statement of Financial Activities and the Net income of £368,185 on the Summary Income and Expenditure Account.

The summary Income and Expenditure Account is derived from the Statement of Financial Activities on pages 15 and 16 which together with the notes to the financial statements on pages 18 to 30 provide full information on the movements during the year on all the funds of the Charity.

VETERANS AID

BALANCE SHEET AS AT 30 SEPTEMBER 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		2,115,686		1,141,418
Investments	7		1,472,332		1,447,426
			<u>3,588,018</u>		<u>2,588,844</u>
Current assets					
Debtors	8	1,097,322		63,574	
Cash at bank and in hand		430,153		556,041	
		<u>1,527,475</u>		<u>619,615</u>	
Current liabilities					
Creditors: amounts falling due in less than one year	9	126,884		103,455	
				<u>103,455</u>	
Net current assets			<u>1,400,591</u>		<u>516,160</u>
Total assets less current liabilities			<u>4,988,609</u>		<u>3,105,004</u>
Creditors: amounts falling due in more than one year	10		-		30,000
Net assets			<u>4,988,609</u>		<u>3,075,004</u>
Funds					
Permanent Endowment fund	11		1,885,407		1,524,819
Restricted funds	12		2,104,851		945,368
Unrestricted funds:	13				
General funds		500,000		450,000	
Designated funds		498,351		154,817	
		<u>998,351</u>		<u>604,817</u>	
Net assets	14		<u>4,988,609</u>		<u>3,075,004</u>

The notes on pages 18 to 30 form part of these financial statements.
Approved by the Trustees on 22nd April 2010 and signed on their behalf by

.....2010
Robert P Clinton
Trustee
Company Number 4544532

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and with the Statement of Recommended Practice – Accounting & Reporting by Charities (Charities SORP) issued in March 2005.

1.2 Basis of accounting

The financial statements have been prepared under the historical cost convention with the exception that investments and premises are included at market value.

1.3 Incoming resources

Incoming resources are recognised on a receivable basis and included in the financial statements gross, i.e. before taking account of any associated expenditure

1.4 Allocation of costs

Premises and associated costs relating to the running of Head Office (which includes the London Relief Centre) are allocated between the various expenditure headings on the SOFA on the basis of the salaries of staff at head office and the estimated time spent by each member of head office staff under each heading.

1.5 Costs of generating funds

Expenses are included as costs of generating funds if they can be directly related to a source of the charity's income or are for publicity intended to raise the profile of the charity.

1.6 Charitable activities

The charity has identified three charitable activities through which it achieves its charitable objectives:

1.6.1 Hostel accommodation and support for homeless veterans

The charity runs a hostel for homeless veterans in the East End of London and provides funding to assist the residents in turning their lives around.

1.6.2 Provision of accommodation for elderly veterans/couples

The charity ran retirement flats for veterans in East Sussex, which were sold as of 30th September 2009 to allow the charity to concentrate on its core work with homeless veterans. The Realised gain on disposal of Fixed Assets relates to this sale; the freehold land formed part of the Permanent Endowment while the buildings formed part of the Unrestricted Funds.

1.6.3 Rehabilitation and emergency care for homeless veterans

The charity's London Relief Centre in Victoria, Central London, provides a drop-in centre where homeless veterans are given counselling and provided with short-term overnight accommodation while their needs are assessed.

1.7 Governance costs

Governance costs include all costs of maintaining the charity as a legal entity including audit fees, costs of trustees meetings, costs of complying with statutory requirements, and staff costs incurred in connection with meeting these requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 Accounting policies (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets, except freehold land, are stated at cost or valuation less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows :

No depreciation is charged on land.

Freehold buildings	Over fifty years straight-line
Office equipment	Over three years straight-line
Housing equipment	Over three years straight-line

Items purchased are capitalised where their cost is above £100 and they are expected to have an ongoing use in the charity's operations. Purchases costing less than this are charged to expenditure in the Statement of Financial Activities in the year of purchase.

As detailed in Note 6, a professional valuation of the freehold land and buildings was undertaken at the year-end and the accounts reflect this figure. It is intended that a valuation will take place every five years.

1.9 Investments

Fixed asset investments are valued at the current market value at the balance sheet date. Any unrealised gains or losses are credited/charged to the Statement of Financial Activities. Realised gains or losses on disposal of investments are included in the Statement of Financial Activities as they arise. Where investments are included as assets in the Permanent Endowment, realised income arising from those investments is taken as unrestricted income.

1.10 Pension costs

The cost to the charity of providing defined contribution retirement pensions and related benefits is charged to management expenses in the period in which the contributions were incurred.

1.11 Permanent Endowment

The Permanent Endowment relates to the East Sussex property given to the charity. Part of this property, Hollenden House, was sold in 2005 and the proceeds invested; the remainder of the property, Whitworth House, was sold as of 30th September 2009 and the funds placed on deposit. Income from these investments are taken as unrestricted income. The charity is intending to procure and develop new and more appropriate premises in Central London and these funds will be used to ensure the adequacy and long-term future of such premises.

1.12 Restricted funds

Restricted funds are those received which are earmarked for specific purpose by the donors. Expenditure which meets the criteria specified is charged directly to the fund.

1.13 Unrestricted funds

Funds received or generated for the objects of the charity without a further specified purpose are treated as unrestricted funds. Some of these resources may be designated by the Trustees for particular purposes as they deem appropriate.

The Charity's unrestricted funds comprise a General Fund, which retains a balance equivalent to six months operating costs. In addition a Development Fund has been designated representing monies intended for the initial development phase of the National Centre for Homeless Veterans in Central London as and when this can be found.

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

2	Resources expended	Direct expenses		Support costs		Depreciation	Total 2009 £	Total 2008 £
		Staff £	Other £	Staff £	Other £	£		
	Fundraising costs	-	5,328	21,398	8,644	462	35,832	31,663
	Investment management costs	-	7,848	-	-	-	7,848	13,683
	Hostel accommodation and support for homeless veterans	225,395	173,398	54,839	22,150	24,874	500,657	509,426
	Provision of accommodation for elderly veterans/couples	-	28,298	14,179	5,707	3,000	51,184	48,475
	Rehabilitation and emergency care for homeless veterans	-	145,567	191,367	83,540	4,745	425,219	315,619
	Governance costs	-	16,976	23,543	9,509	509	50,536	49,613
		225,395	377,415	305,326	129,550	33,590	1,071,276	968,479
Total resources expended are stated after charging:								
	Depreciation (see note 1.8)						33,590	36,486
	Auditors remuneration:							
	For audit						15,825	15,274
	For other services						-	-
	Amounts payable under operating leases						36,077	34,876

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

3	Staff costs	2009	2008
		£	£
	Wages and salaries	469,524	410,504
	Social security	49,691	44,954
	Pension costs	7,897	7,923
		527,112	463,381
	Other staff costs	3,609	12,860
		530,721	476,241

Average number of staff

The average number of staff on a full time equivalent basis working during the year was:

Hostel and care workers	10	10
Administration	5	4

The number of emoluments (salaries, wages and benefits in kind) fell within the following bands:

£60,000 to £69,999	1	1
--------------------	---	---

During the year the pension contributions on behalf of this member of staff amounted to £6,870 (2008: £6,940).

4 **Trustees**

No trustees received any remuneration in the current or preceding year.

Expenses totalling £1,287 (2008: £1,014) were reimbursed to 5 (2008: 4) trustees in respect of travel expenses.

5 **Corporation tax**

As a registered charity Veterans Aid is not subject to corporation tax on its wholly charitable activities.

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

6	Tangible fixed assets	Freehold land and buildings £	Fittings and equipment £	Total £
	Cost			
	At 1 October 2008	1,233,430	155,186	1,388,616
	Additions	-	8,098	8,098
	Disposals	(202,140)	-	(202,140)
	Revaluations	1,068,710	-	1,068,710
	At 30 September 2009	2,100,000	163,284	2,263,284
	Depreciation			
	At 1 October 2008	111,530	135,668	247,198
	Charge for the year	21,660	11,930	33,590
	On disposals	(17,068)	-	(17,068)
	Write-back on revaluation	(116,122)	-	(116,122)
	At 30 September 2009	-	147,598	147,598
	Net book value			
	At 30 September 2009	2,100,000	15,686	2,115,686
	At 30 September 2008	1,121,900	19,518	1,141,418

All fixed assets are used for charitable purposes.

In the year ended 30 September 2009 a professional valuation of the freehold premises in Stepney was carried out by Michael Rogers LLP, Chartered Surveyors. This placed an open market value on the premises of £2,100,000 which is now reflected in these accounts. The historical cost of the land and buildings is £1,031,290.

7	Investments	2009 £	2008 £
	Investment in subsidiary	2	-
	Quoted securities	1,368,339	1,281,241
	Accrued investment income	6,780	4,025
	Cash balances	97,211	162,160
		1,472,332	1,447,426

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

7 Investments (continued)

	Subsidiary Undertakings £	Listed Investments £	Total 2009 £	Total 2008 £
Quoted securities:				
Market value at 1 October 2008	-	1,281,241	1,281,241	1,538,058
Additions at cost	2	298,384	298,386	276,887
Disposals at market value brought forward	-	(245,983)	(245,983)	(319,640)
Unrealised gains/(losses)	-	34,697	34,697	(214,064)
Market value at 30 September 2009	<u>2</u>	<u>1,368,339</u>	<u>1,368,341</u>	<u>1,281,241</u>
Historic cost			<u>1,405,984</u>	<u>1,371,126</u>

Investments that are considered material in the context of the market value of the portfolio at 30 September 2009 are:

	%age of total	£	%age of total	£
UK Govt 2.5% 1/L Stk 16/8/13	7.81%	114,989	7.73%	111,933
Barclays Bank Plc 5 Yr FTSE Acc 2	6.21%	91,470	6.44%	93,160

The investment in subsidiary represents the charitable company's holding in its wholly-owned subsidiary, Veterans Aid (Services) Ltd, company registration number 06096959. The subsidiary company has not commenced trading and remained dormant throughout the year; its aggregate capital and reserves at 30th September 2009 were £2.

Veterans Aid also has two subsidiary charities, Hollenden House (charity number 1095308-1) and New Belvedere House (1095308-2) which have remained dormant throughout the year and have no assets. Under a uniting direction issued by the Charity Commission dated 3rd June 2003, these subsidiary charities are not required to prepare separate accounts.

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

8	Debtors	2009 £	2008 £
	Prepayments	14,238	18,147
	Other debtors	1,083,084	45,427
		<u>1,097,322</u>	<u>63,574</u>
The Other debtors figure includes £1,021,584 representing the net proceeds from the sale of Whitworth House.			
9	Creditors: amounts falling due in less than one year	2009 £	2008 £
	Trade creditors	54,647	27,261
	Other tax and social security	15,890	15,671
	Accruals	19,326	13,451
	Deferred income	-	13,670
	Royal British Legion Attendance Company loan (see note 10)	30,000	30,000
	Other creditors	7,021	3,402
		<u>126,884</u>	<u>103,455</u>
10	Creditors: amounts falling due after more than one year	2009 £	2008 £
	Royal British Legion Attendance Company loan	<u>-</u>	<u>30,000</u>

A loan of £60,000 from the Royal British Legion Attendance Company for a new heating system at New Belvedere House was received in July 2008, which is being repaid in four six-monthly instalments, commencing in December 2008. The final payment is due in June 2010.

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

11	Permanent Endowment	At 1 October 2008 £	Incoming resources £	Outgoing resources £	Realised & unrealised gains £	Transfers between funds £	At 30 September 2009 £
	Hollenden House Endowment Reserve	1,524,819	330,130	4,239	34,697	-	1,885,407
12	Restricted funds	At 1 October 2008 £	Incoming resources £	Outgoing resources £	Realised & unrealised gains £	Transfers between funds £	At 30 September 2009 £
	Professional Support Co-Ordinator	-	27,000	34,545	-	7,545	-
	Outreach worker	8,136	16,472	90,568	-	65,960	-
	Detox programme	-	36,000	34,248	-	-	1,752
	GLC Grant	155,865	-	-	-	-	155,865
	Housing Association Grant	400,000	-	-	-	-	400,000
	New Belvedere House fund	381,367	-	18,965	1,184,832	-	1,547,234
		945,368	79,472	178,326	1,184,832	73,505	2,104,851

The transfers between funds represent amounts transferred from the General Fund to cover shortfalls in the Restricted Funds.

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

13	Unrestricted funds	At 1 October 2008 £	Incoming resources £	Outgoing resources £	Realised & unrealised gains £	Transfers between funds £	At 30 September 2009 £
	General Fund	450,000	1,359,989	892,950	-	(417,039)	500,000
	Designated funds:						
	Development fund	154,817	-	-	-	343,534	498,351
		<u>604,817</u>	<u>1,359,989</u>	<u>892,950</u>	<u>-</u>	<u>(73,505)</u>	<u>998,351</u>

The General Fund retained balance at the year-end represents six months operating costs.
The Development Fund represents monies allocated for the development of a National Centre for Homeless Veterans in Central London.

14	Analysis of net assets between funds	Tangible fixed assets £	Investments £	Net current assets £	Total £
	Hollenden House Endowment Reserve	-	1,472,332	413,075	1,885,407
	Professional Support Co-Ordinator	-	-	-	-
	Outreach worker	-	-	-	-
	Detox Programme	-	-	1,753	1,753
	GLC Grant	155,865	-	-	155,865
	Housing Association Grant	400,000	-	-	400,000
	New Belvedere House fund	1,544,135	-	3,098	1,547,233
	Development fund	-	-	498,351	498,351
	General funds	15,686	-	484,314	500,000
		<u>2,115,686</u>	<u>1,472,332</u>	<u>1,400,591</u>	<u>4,988,609</u>

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

15 Revaluation reserves

Included within the funds explained in notes 11 to 13 are revaluation reserves with the following values:

	Permanent Endowment Fund £	Restricted Funds £	Unrestricted Funds £	Total £
Quoted securities	(37,645)	-	-	(37,645)
Freehold land and buildings	-	1,184,832	-	1,184,832
	<u>(37,645)</u>	<u>1,184,832</u>	<u>-</u>	<u>1,147,187</u>

16 Commitment under operating leases

The premises at 40 Buckingham Palace Road are leased at a cost (including irrecoverable VAT at 17.5%) of £9,550 per quarter; the lease ends on 29th February 2012, giving a total commitment at the year-end of £92,318.

17 Related party transactions

During the year fees of £3,924, including VAT, (2008 - £0) were paid to Malcolm Hollis, Chartered Surveyors, a firm in which Mr. R.Evans is a consultant.

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

18 Housing Corporation disclosure

Veterans Aid is a Registered Social Landlord and therefore must report to the Housing Association on its activity in this field. Accounts for the years until 2006 were prepared following the Statement of Recommended Practice – Accounting by Registered Social Landlords (RSL SORP). However, as a charity it sees its charitable activities as being much wider than that of a registered social landlord as it provides many other services and support to its beneficiaries. As such it has chosen to present its accounts in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (Charities SORP) issued in March 2005 as it feels it gives a more representative picture of the whole of its charitable work. Nevertheless it recognises its commitment as a registered social landlord and gives the information here in the format required to Housing Corporation purposes.

Due to the differing requirements of the Charities SORP and the RSL SORP there are variances between the figures reported in this note and the remainder of the accounts, in particular in the funds balances carried forward.

	2009 £	2008 £
Balance sheet		
Fixed assets		
Housing land and buildings	2,100,000	1,233,430
Less grants	1,034,389	1,034,389
	<u>1,065,611</u>	<u>199,041</u>
Other fixed assets	15,686	19,518
	<u>1,081,297</u>	<u>218,559</u>
Investments	1,472,332	1,447,426
	<u>2,553,629</u>	<u>1,665,985</u>
Current assets		
Debtors	1,097,322	63,574
Cash	430,153	556,042
Current liabilities	(126,884)	(103,455)
Net current assets	<u>1,400,591</u>	<u>516,161</u>
Long term liabilities	-	(30,000)
Total funds	<u>3,954,220</u>	<u>2,152,146</u>

VETERANS AID

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

18 Housing Corporation disclosure (continued)

	2009 £	2008 £
Turnover		
Rents	89,446	89,164
Grants	-	18,932
Housing benefit/Supporting people	447,979	380,797
Property Revenue sub-total	537,425	488,893
Donations and grants for other charitable purposes	382,402	312,380
	919,827	801,273
Other income		
Interest and dividends	58,084	77,169
Profit on sale of investments	(4,239)	6,717
	973,673	885,159
Operating costs		
Direct cost	529,883	502,919
Operating costs	519,733	443,899
	1,049,615	946,818
Operating (deficit)/ surplus	(75,943)	(61,659)
Realised gain/(deficit) for the year	791,680	-
Operating surplus/(deficit)	715,737	(61,659)

	Hostels £	Accommodation £	Total £
Fixed assets – Land and buildings			
Cost			
Brought forward at 1 October 2008	1,127,647	105,783	1,233,430
Additions	-	-	-
Disposals	(96,357)	(105,783)	(202,140)
Revaluations	1,068,710	-	1,068,710
Carried forward at 30 September 2009	2,100,000	-	2,100,000
Less:			
Social Housing grant	555,865	-	555,865
Other capital grant	478,524	-	478,524
	1,034,389	-	1,034,389
Net book value			
At 30 September 2009	1,065,611	-	1,065,611
At 30 September 2008	93,258	105,783	199,041
Accommodation in management			Number of units
		2009	2008
Retirement flats		0	18
Homeless hostel		57	57

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

19 Legal status

The charity is a company limited by guarantee. In the event of a winding up each member has guaranteed to give a guarantee of not more than £10. At 30 September 2009 the total of these guarantees was £ 90.

20 Contingent liabilities

In the event of the New Belvedere House/Old Rectory premises in East London being sold, the GLC grant of £155,865 and the Housing Association grant of £400,000 would become repayable. The charity has no plans to dispose of these premises.