Company Registration No: 4544532 (England & Wales)
Charity No: 1095308

VETERANS AID

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2010

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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 FCSI, FCT (Honorary Treasurer) R Evans DipArch RIBA (Honorary Surveyor) Lieutenant Colonel E F Kohn TD BSc FCIM FIMgt FInstD Mrs M Mervis, Barrister Colonel P Cummings (appointed 6th October 2009) A G Wallis M.InstFM, MIOSH (appointed 8th November 2010) Group Captain M J Armstrong FHCIMA (resigned 6th October 2009) M R Berry FRGS Cert Ed (resigned 22nd April 2010) Captain I B Sutherland RN MIPD (resigned 22nd April 2010) Wing Commander S Cairns (appointed 6th October 2009, resigned 7th September 2010)
Management	Wg Cdr Dr Hugh Milroy BTh, MA, PhD (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:	S & T Asset Management Limited The Knapp, Powerstock Bridport Dorset DT6 3TF
Bankers	HSBC Bank 60 Queen Victoria Street London EC4N 4TR Lloyds TSB 1 Butler Place London SW1H 0PR

Finance and Legal (continued)

Bankers	Close Brothers Limited 10 Crown Place London EC2A 4FT Clydesdale Bank PLC 35 Regent Street London SW1Y 4ND
Registered Office	40 Buckingham Palace Road 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. It is governed by its memorandum and articles of association dated 25 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.

CHAIRMAN'S REPORT ON ACTIVITY
FOR THE YEAR ENDED 30 SEPTEMBER 2010

I am very pleased to be introducing yet another annual report for Veterans Aid covering the year 2009/10. It goes without saying that it was a challenging period for us but I am delighted to report that we fared well.

The situation that we faced in the previous reporting year really did not change and we continued to face an economic downturn and ongoing operations in the Middle East. However, if anything, it is the former and not the latter that has kept us busy. Of the approximately 2000 requests for assistance we took during the year, few were from those recently returned from operations or were Early Service Leavers. We still take people from all over the country, indeed the world. Ages have varied between 19 and 86!

Our profile and reputation continues to grow both in the media and other areas. This has been hugely beneficial as it has helped us to become more and more involved in prevention work as well as dealing with those who find themselves on the streets. It is self-evident that stopping a Veteran from ever getting onto the streets, or making sure that they don't spend a second night on the streets, is beneficial for both the individual and for the Veteran community as a whole; particularly in terms of benevolence. Of course, this is only possible due to the support we consistently receive from our sister charities, e.g. The Royal British Legion, the Soldiers Charity, Seafarers, the RAF BF and SSAFA Central London.

New Belvedere House (NBH) continues to perform very well. We have invested heavily in the facility and in the training of our staff. The aim of this is to ensure, as far as possible, that those who "graduate" from NBH sustain their reclaimed lives. We were delighted by our Supporting People NBH inspection results from London Borough of Tower Hamlets with whom we have a very strong working relationship. We have embraced the Supporting People process as it ensures that our hostel is open to external inspection and is operated to national standards.

I know I say something like this every year, but it is clear to me that the key to our success lies squarely with the quality of the staff we employ. Despite the set-backs and trauma of the issues that they face on a daily basis, they continue to be totally committed and full of optimism about their work. Highly motivated and focused they never cease to amaze with their sense of humour and belief in the work they are doing.

Much is said in the media about Veterans and a lack of care about their well-being. No doubt such debates will continue but when all is said and done, I am still firmly of the opinion that if you are in crisis in Britain today, you are lucky if you are a Veteran. There is a huge military family that will reach out to you in your hour of need. Veterans Aid is but one example.

Brigadier J F Rickett CBE
President and Chair

During the year, an amazing array of visitors have made their way from around the world to visit our over-crowded offices. Academics, politicians, practitioners and media representatives all came to find out what makes VA tick. Some take this further; for example, Veterans Aid's close liaison in the last 12 months with the Metropolitan Police Service Custody Directorate has seen us become involved in training and mentoring the next generation of custody sergeants/officers at the Central London Training Centre. This training is aimed at raising police custody sergeants' awareness of Veterans Aid, particularly in relation to vulnerable/homeless ex-Service personnel at point of release after custody. We are also working closely with London Ambulance Service along similar lines.

At the invitation of the Anglo-French Foundation, whose patron is HM Ambassador in Paris, we have for the 2nd year running taken 12 hostel residents on a working break to a house on the capital's southern outskirts. The foundation, a very worthy charity, was started in 1915 by the British Red Cross, fed by funds from Londoners, and aimed originally to help injured French soldiers. It lives on today caring for disabled people who - as happens in France at the height of every summer - are all away on holiday!

We therefore have, absolutely free of charge and all to ourselves, the house, its sizeable grounds and its sporting facilities. Our men worked in the grounds - mowing, clearing deadwood etc. – and then were given a tour of Paris. The stay was rewarding for them and for our staff who accompanied them.

Far from being an exercise in escapism – a 'jolly' - our staff make full use of the location to encourage our Veterans to confront their daily problems in a calm and serene environment well away from the dirt and stress of the streets of London. Every man who went last year has now moved on - 'graduated' from our hostel to more permanent accommodation and fortified by an unforgettable experience. Finally, in conjunction with the 'Waste Not Want Not' charity operating in the City, we are now receiving surplus food every evening from the City's sandwich/lunch bars: approximate value = £25,000 per annum. We must thank Patrick Rarden, without whom this initiative simply would not have happened!

We spent much administrative time this year searching for a new HQ and this is still an ongoing task. The key being that we find the right premises in the right location! It would be great if we had got to the point where we were spending the monies raised from the sale of Whitworth House but the process is taking longer than expected.

A significant amount of our operational time was dedicated to homelessness prevention and the relief of poverty. It seems self-evident that closing the front door to homelessness is a priority for the Veteran community but the relief of poverty can be challenging and complex. Our unique prevention strategy is highly developed and is aimed at making sure, where possible, that swift intervention stops the individual becoming homeless in the first place or at least ensuring that the individual does not become a hardened street dweller. Equally, it is clear to all at VA that the relief of poverty among those who approach us for help has a wider public benefit.

This effort has been greatly enhanced by our continued efforts in the field of addiction. Our approach to this, under the guidance of our specialist, Phil Rogers, has been a major success story. Since January 2009, we have placed 105 Veterans into treatment (i.e. detox / rehab / abstinence-based day programmes). Alcohol was the primary issue for two thirds of these clients. However, a significant number were identified as polysubstance (misusing both alcohol and drugs) users. Significantly, we have also seen a rise in the number of problematic gamblers over the past year.

In terms of profile, it is clear that VA's involvement with the Department of War Studies at King's College, London, our links with Ruskin College, Oxford, and heavy involvement in the Howard League for Penal Reform's independent inquiry into former Armed Services personnel in prison have all served to demonstrate the effectiveness of our approach to social disability among Veterans to a much wider audience.

Finally, our success is built on having strong, highly trained and effective staff who, on a daily basis, provide the unconditional support necessary for our Veterans as they struggle to reclaim their lives. But that isn't where the story stops. Our serving (e.g. the Royal Logistic Corps under command of Brig. Mike Hickson OBE) and Veteran community supporters, particularly the ESAG members, e.g. The Soldiers' Charity (ABF) and partners such as Scottish Veterans Residences, under Lt Col Ian Ballantyne, provide an outstanding support network for the journey our men and women undertake, all coalescing to demonstrate a wonderful post-modern example of effective collegiate working. Others could learn from this joined-up approach.

Wg Cdr Dr Hugh Milroy PhD
Chief Executive

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010

The Trustees present their Annual Report on the affairs of Veterans Aid, together with the Financial Statements and Auditor's Report for the year ended 30 September 2010. 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 of Veterans Aid
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. Much more preventative work is now being undertaken by the Charity.

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. In the stated opinion of John Bird, founder of *The Big Issue*, these costs can reach one million pounds per person. 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, 33 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.

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 171 clients into some form of accommodation in the year, very few of whom returned to their previous existence.

- **Raising awareness and appreciation of the Charity's capability.** Considerable effort has continued in raising awareness of the Charity within the military, the homeless sector, the Veteran community (5.5million) and across society at large. This has been planned to assist the Charity in its efforts to prevent people becoming homeless in the first place and to act quickly, to ensure that Veterans arriving on the streets do 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 experience. The Supporting People process has continued to be especially useful for this exercise representing the national standard. Notwithstanding public perceptions of homeless Veteran statistics, the percentage of Veterans among the homeless contacting London agencies has dropped significantly with the Charity having a major role in such a reduction, displaying clear public benefit.

Reputation
The Charity's reputation has continued to develop significantly in the last reporting period in raising public and private awareness, both nationally and internationally. Regular contact with Ministers, the media, other charities, the general public and key stakeholders continue to enhance the reputation of the Charity. Veterans Aid has been kept in the public eye by coverage of our work in the print, radio and TV. This aids fundraising which now comes regularly from the serving Armed Forces and the general public. The Chief Executive continues 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. DVD / visual media production continues to establish the important work undertaken by VA's compact team for the rehabilitation and re-establishment of Veterans who have fallen on hard times. The success of VA has meant more staff and volunteers having to work from the premises in Victoria, which are no longer suitable for the Charity's needs. As reported in the last Trustees' report and in accordance with the business plan, 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 exclusively 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.

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.

Recruitment, induction and training of trustees (continued)
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 continued to take further strides in providing support, often immediate and sometimes permanent, through supported accommodation, general and skilled advice for those Veterans, or their dependants, 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 enhanced 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 30% 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 – 99.1% room occupancy in the year, compared to 99.5% in the previous year.
- Evictions – there were no evictions in the year, compared to 9 in the previous year.
- Planned moves – there were 54 planned moves in the year, compared to 54 in the previous year.

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 £1.47m, with a further £73k 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 S & T Asset 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 15 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 a part of the 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 £1,156k, excluding 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 2010, with the charity developing its activities, expenditure grew more rapidly than income and it was necessary to draw some £30k from reserves to make up the deficit. Action is being taken to restore the broad balance going forward.

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 is 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.

Investment policy

Discretionary management - overall guidelines.
S&T Asset Management has been given discretionary powers of management, with the following overall guidelines, over the portfolio of the Charity:

- 20% of the portfolio shall be invested in bank deposits, short-term money market instruments or investment grade fixed interest securities to enable the Trustees to have access to capital at short notice.

- 80% of the fund shall be invested in high quality international equities of the first rank to produce a growing income to protect the Trust against the long-term effects of inflation.

- The guideline with regard to a total income shall be at least £40,000 as amended by the Trustees from time to time.

- The equity content of the portfolio shall be in S & T's classification of medium to low risk.

- There shall be no investments in any company the aims of which are contrary to the objectives of the charity and the Trustees will notify the managers of any specific exclusions which they might wish to include from time to time.

S & T is required to submit an investment report for each meeting of the Council, usually held in April and October 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 is reviewed regularly by the Trustees.

The actual value of unrestricted reserves of the Charity at 30 September 2010 is £1,000,450. The Trustees estimate that 6 months' operating costs at the present level of operations are some £600,000. This sum has been retained in *General Funds* in line with policy. The remaining unrestricted reserves, amounting to some £400,450, have been designated by the Trustees towards the provision of a new National Centre for Homeless Veterans in Central London, a process which has been pursued during the financial year and that it is hoped will advance significantly in the new financial year.

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 2011.

Fiduciary failings
The Charity has enjoyed a long period of absolute integrity on the part of its staff. Despite this, it has been felt prudent to maintain insurance cover in this regard going forward.

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 30% 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. Changes in the Local Authority or Government Policy may also result in future funding being removed.

Finance and accounting review
The Charity has £5,039,672 of net assets (2009: £4,988,609), of which £2,113,289 (2009: £2,115,686) are tangible fixed assets. The charity has £745,845 (2009: £430,153) of cash balances available at one months notice or less, and a further £680,080 (2009: nil) available at three months notice. 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 are being 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 :

  a) Professional Support Co-rdinator – monies granted to fund a dedicated PSC to work with residents at VA's homeless hostel, New Belvedere House.

  b) Outreach Worker – monies granted to fund a dedicated Outreach Worker based at the London Relief Centre

  c) Detox Programme – monies granted to provide residential care and support for clients suffering from addictions

  d) GLC Grant – monies provided to acquire a new homeless hostel following compulsory purchase of the former premises at Belvedere House

  e) Housing Association Grant – monies provided for the refurbishment and extension of New Belvedere House

  f) New Belvedere House Extension Fund – money provided by various donors for the refurbishment and extension of New Belvedere House

- Unrestricted Funds (note 13)
  Unrestricted funds are as follows:

  - General Fund – represents an estimated six months operating costs of the charity.

  - 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 Trustees' responsibilities
The Trustees (who are 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors
A resolution proposing the re-appointment of Saffery Champness will be put to the Annual General Meeting in April 2011.

Approved by the Trustees on 21 April 2011 and signed on their behalf by

....
R Evans
Trustee

W H Milroy
CEO

21 April 2011

We have audited the financial statements on pages 17 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 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 auditor's 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
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the charity's state of affairs as at 30 September 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Cara Turtington ....
(Senior Statutory Auditor)

For and on behalf of
Saffery Champness

Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

21 April 2011

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	Unrestricted funds £	Restricted funds £	Permanent Endowment £	Total 2010 £	Total 2009 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations & Legacies including Gift Aid		360,623	-	-	360,623	165,474
Grants (for core funding)		18,868	-	-	18,868	26,225
Activities for generating funds:						
Fundraising and sundry		52,748	-	-	52,748	64,643
Investment income		54,504	-	-	54,504	58,084
Incoming resources from charitable activities						
Grants (specifically related to services provision)		62,112	55,300	-	117,412	126,060
Supporting People Programme		168,144	-	-	168,144	166,093
Rent and housing benefit		383,940	-	-	383,940	371,332
Realised gain on disposal of fixed assets		-	-	-	-	791,680
Total incoming resources		1,100,939	55,300	-	1,156,239	1,769,591
Outgoing resources						
Cost of generating funds						
Fundraising/event costs		54,006	-	-	54,006	35,832
Investment management fees		6,476	-	-	6,476	7,848
Cost of goods sold		335	-	-	335	-
Charitable activities:						
Hostel accommodation and support for homeless veterans		485,220	65,975	-	551,195	500,657
Provision of accommodation for elderly veterans/couples		-	-	-	-	51,184
Rehabilitation and emergency care for homeless veterans		352,408	133,428	-	485,836	425,219
Development of National Centre for homeless veterans		37,458	-	-	37,458	-
Governance costs		51,273	-	-	51,273	50,536
Total resources expended	2	987,176	199,403	-	1,186,579	1,071,276
Net incoming resources		113,763	(144,103)	-	(30,340)	698,315
Transfers between funds		(111,664)	111,664	-	-	-
Realised (loss)/gain on disposal of investments		-	-	(9,506)	(9,506)	(4,239)
Net incoming resources before revaluations carried forward		2,099	(32,439)	(9,506)	(39,846)	694,076

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	Unrestricted funds £	Restricted funds £	Permanent Endowment £	Total 2010 £	Total 2009 £
Net incoming resources before revaluations brought forward		2,099	(32,439)	(9,506)	(39,846)	694,076
Unrealised gains on revaluation of freehold premises		-	-	-	-	1,068,710
Write-back of accumulated depreciation on freehold premises		-	-	-	-	116,122
Unrealised gains/(losses) on revaluation of investments	7	-	-	90,909	90,909	34,697
Net incoming resources		2,099	(32,439)	81,403	51,063	1,913,605
Total funds brought forward		998,351	2,104,851	1,885,407	4,988,609	3,075,004
Total funds carried forward	14	1,000,450	2,072,412	1,966,810	5,039,672	4,988,609

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

The notes on pages 21 to 34 form part of these financial statements.

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2010

	2010 £	2009 £
Gross income	1,156,239	977,911
Realised gains/(losses) on disposal of fixed assets	-	461,550
Total income	1,156,239	1,439,461
Total expenditure	(1,186,579)	(1,071,276)
Net income/(expenditure)	(30,340)	368,185

Total income comprises £1,100,939 (2009: £898,439) for unrestricted funds and £55,300 (2009: £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 £987,176 (2009: £892,950) for unrestricted funds and £199,403 (2009: £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.

The summary Income and Expenditure Account is derived from the Statement of Financial Activities on pages 17 and 18 which together with the notes to the financial statements on pages 21 to 34 provide full information on the movements during the year on all the funds of the charity.

VETERANS AID

BALANCE SHEET
AS AT 30 SEPTEMBER 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Tangible fixed assets	6		2,113,289		2,115,686
Investments	7		1,547,714		1,472,332
			3,661,003		3,588,018
Current assets					
Stock	8	6,280		-	
Debtors	9	32,015		1,097,322	
Cash at bank and in hand		1,425,925		430,153	
		1,464,220		1,527,475	
Current liabilities					
Creditors: Amounts falling due in less than 1 year	10	85,551		126,884	
Net current assets			1,378,669		1,400,591
Net assets			5,039,672		4,988,609
Funds					
Permanent Endowment	11		1,966,810		1,885,407
Restricted funds	12		2,072,412		2,104,851
Unrestricted funds:	13				
General funds		600,000		500,000	
Designated funds		400,450		498,351	
			1,000,450		998,351
	14		5,039,672		4,988,609

Approved by the Trustees on 21st April 2011 and signed on their behalf by

....

Robert Clinton
Trustee
Company Number 4544532

The notes on pages 21 to 34 form part of these financial statements.

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 are included at market value.

1.3 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 two charitable activities through which it achieves its charitable objectives–

1.6.1 Hostel accommodation and support for Veterans in crisis.
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 Detox rehabilitation and emergency care for Veterans in crisis.
The charity's London Relief Centre in Victoria, Central London, provides a drop-in centre where Veterans in crisis are given counselling and provided with short-term overnight accommodation while their needs are assessed. Veterans Aid has outgrown the facilities in the present premises, and is seeking larger premises to develop into a National Centre for Homeless Veterans. During the year work on seeking suitable premises and planning the facilities to be provided therein was undertaken and the direct costs related to that work have been separately identified in the SOFA.

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.

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 **Stock**

Stock comprises branded clothing stock and is valued at the lower of cost or net realisable value.

1.11 **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.

1.12 **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 in 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.

1.13 **Restricted funds**

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

1.14 **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 a National Centre for Homeless Veterans in Central London as and when suitable premises can be found.

1.15 **Revaluations**

Investments are revalued to market value as of 30th September 2010 and the gain or loss is shown on the SOFA as a separate item not forming part of the incoming resources as the trustees feel that including unrealised gains or losses would not show a true and fair view of the charity's activities during the year.

2 Resources expended

	Direct expenses		Support costs				
	Staff	**Other**	**Staff**	**Other**	**Depreciation**	**Total 2010**	**Total 2009**
	£	**£**	**£**	**£**	**£**	**£**	**£**
Fundraising costs	-	16,999	24,570	11,982	455	54,006	35,832
Investment management costs	-	6,476	-	-	-	6,476	7,848
Cost of goods sold	-	-	-	335	-	335	-
Hostel accommodation and support for homeless veterans	233,409	192,866	57,480	28,032	39,408	551,195	500,657
Provision of accommodation for elderly veterans/couples	-	-	-	-	-	-	51,184
Rehabilitation and emergency care for homeless veterans	-	176,848	200,540	104,147	4,301	485,836	425,219
National Centre for Homeless Veterans development	- -	-	24,869	12,129	460	37,458	-
Governance	-	13,407	24,162	13,257	447	51,273	50,536
	233,409	406,596	331,621	169,882	45,071	1,186,579	1,071,276

	2010	**2009**
	£	**£**
Total resources expended are stated after charging:		
Depreciation (see note 1.8)	45,071	33,590
Auditors remuneration:		
For audit	12,188	15,825
For other services	-	-
Amounts payable under operating leases	39,042	36,077

3 **Staff costs**

	2010 £	2009 £
Wages and salaries	499,059	469,524
Social security	52,966	49,691
Pension costs	7,983	7,897
	560,008	527,112
Other staff costs	5,022	3,609
	565,030	530,721

Average number of staff:

The average number of staff on a full time equivalent basis working during the year was	Number	Number
Hostel and care workers	10	10
Administration	5	5

The number of employees whose 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 £6,935 (2009: £6,870).

4 **Trustees**

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

Expenses totalling £1,011 (2009: £1,287) were reimbursed to 3 (2009: 5) 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.

6 Tangible fixed assets

	Freehold land and buildings £	Fittings and equipment £	Total £
Cost			
At 1 October 2009	2,100,000	163,284	2,263,284
Additions	-	42,674	42,674
Disposals	-	(2,886)	(2,886)
At 30 September 2010	2,100,000	203,072	2,303,072
Depreciation			
At 1 October 2009	-	147,598	147,598
Charge for the year	30,687	14,384	45,071
On disposals	-	(2,886)	(2,886)
At 30 September 2010	30,687	159,096	189,783
Net Book value			
At 30 September 2010	2,069,313	43,976	2,113,289
At 30 September 2009	2,100,000	15,686	2,115,686

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 on open market value on the premises of £2,100,000 which is now reflected in these accounts. The historical cost of the building is £1,233,430.

7 Investments

	2010 £	2009 £
Investments in subsidiary	2	2
Quoted securities - UK	1,179,814	1,136,749
Quoted securities – Overseas	294,167	231,589
Accrued investment income	6,787	6,780
Cash balances	66,944	97,212
	1,547,714	1,472,332

7 **Investments** (continued)

	Subsidiary undertakings £	Listed investments £	Total 2010 £	Total 2009 £
Securities				
Market value at 1 October 2009	2	1,368,339	1,368,341	1,281,241
Additions at cost	-	502,453	502,453	298,386
Disposals at market value brought forward	-	(487,720)	(487,720)	(245,983)
Unrealised gains/(losses)	-	90,909	90,909	34,697
Market value at 30 September 2010	2	1,473,981	1,473,983	1,368,341
Historic cost			1,380,096	1,405,984

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% I/L Stk 16/8/13	8.08%	125,010	7.81%	114,989
Ishares Iii Plc	7.07%	109,380	0.00%	-
Barclays Bank Plc 5 Yr FTSE Acc 2	0.00%	-	6.21%	91,470

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; it's aggregate capital and reserves at 30 September 2010 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 3 June 2003, these subsidiary charities are not required to prepare separate accounts.

8 Stock

	2010	2009
	£	£
Clothing stock	6,280	-

9 Debtors

	2010	2009
	£	£
Prepayments	16,781	14,238
Other debtors	15,234	1,083,084
	32,015	1,097,322

In 2009 the Other debtors figure included £1,021,584 representing the net proceeds of the sale of Whitworth House.

10 Creditors falling due in less than one year

	2010	2009
	£	£
Trade creditors	49,925	54,647
Other tax and social security	17,593	15,890
Accruals	11,861	19,326
Deferred income	2,947	-
Royal British Legion Attendance Company loan	-	30,000
Other creditors	3,225	7,021
	85,551	126,884

11 Permanent Endowment

	At 1 October 2009 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains £	Transfers between funds £	At 30 September 2010 £
Hollenden House Endowment Reserve	1,885,407	-	-	81,403	-	1,966,810

12 Restricted funds

	At 1 October 2009 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains £	Transfers between funds £	At 30 September 2010 £
Professional support co-ordinator	-	25,300	35,289	-	9,989	-
Outreach worker	-	30,000	97,104	-	67,104	-
Detox programme	1,753	-	36,324	-	34,571	-
GLC grant	155,865	-	-	-	-	155,865
Housing Association grant	400,000	-	-	-	-	400,000
New Belvedere House fund	1,547,233	-	30,686	-	-	1,516,547
	2,104,851	55,300	199,403	-	111,664	2,072,412

The first three restricted funds are discrete areas of the charity's work for which grant support is sought, with a view to fully covering their costs by specific grants. Where the specific grants are insufficient to cover the full costs of the area of operations, the area is supported by transfers from the unrestricted funds. The transfers between funds represent amounts transferred from the general fund to cover such shortfalls in the Restricted Funds.

13 **Unrestricted funds**

	At 1 October 2009 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains £	Transfers between funds £	At 30 September 2010 £
General Fund	500,000	1,100,939	889,275	-	(111,664)	600,000
Designated funds:						
Development Fund	498,351	-	97,901	-	-	400,450
	998,351	1,100,939	987,176	-	(111,664)	1,000,450

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	-	1,547,714	419,096	1,966,810
Professional support co-ordinator	-	-	-	-
Outreach worker	-	-	-	-
Detox programme	-	-	-	-
GLC grant	155,865	-	-	155,865
Housing Association grant	400,000	-	-	400,000
New Belvedere House fund	1,516,547	-	-	1,516,547
Development fund	-	-	400,450	400,450
General funds	40,877	-	559,123	600,000
	2,113,289	1,547,714	1,378,669	5,039,672

15 Revaluation reserves

	Permanent Endowment fund £	Restricted funds £	Unrestricted funds £	2010 Total £	2009 Total £
Included within the funds explained in notes 11 to 13 are revaluation reserves with the following values:					
Quoted securities	93,885	-	-	93,885	(37,645)
Freehold land and buildings	-	1,184,832	-	1,184,832	1,184,832
	93,885	1,184,832	-	1,278,717	1,147,187

16 Commitment under operating leases

The premises at 40 Buckingham Palace Road are leased at a cost of £8,128 plus irrecoverable VAT per quarter; the lease ends on 29 February 2012, giving a total commitment at the year-end, including VAT, of £55,329 (2009: £92,318)

Photocopiers are leased from Ricoh Capital Ltd at a cost of £291 plus irrecoverable VAT per quarter; the lease ends on 24 November 2014.

17 **Related party transactions**

During the year fees of £1,763, including VAT, (2009 - £3,924) were paid to Malcolm Hollis, Chartered Surveyors, a firm in which Mr R Evans is a consultant.

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.

Balance sheet	**2010** **£**	**2009** **£**
Fixed assets		
Housing land and buildings	2,100,000	2,100,000
Less: Grants	1,034,389	1,034,389
	1,065,611	1,065,611
Other fixed assets	43,976	15,686
	1,109,587	1,081,297
Investments	1,547,714	1,472,332
	2,657,301	2,553,629
Current assets		
Stock	6,280	-
Debtors	32,015	1,097,322
Cash	1,425,925	430,153
Current liabilities	(85,551)	(126,884)
Net current assets	1,378,669	1,400,591
Total funds	4,035,970	3,954,220

18 **Housing corporation disclosure** (continued)

	2010	2009
	£	£
Turnover		
Rents	31,323	89,446
Grants relating to housing	-	-
Housing benefit/supporting people	520,761	447,979
Property revenue sub-total	552,084	537,425
Donations and grants for other charitable purposes	549,496	382,402
Turnover	1,101,580	919,827
Other income		
Interest, dividends etc.	54,659	58,085
(Loss)/profit on sale of investments	(9,506)	(4,239)
	1,146,733	973,673
Operating costs		
Direct costs	523,018	529,882
Operating costs	632,874	519,733
	1,155,892	1,049,615
Operating deficit	(9,159)	(75,942)
Realised gain on disposal of property	-	791,679
(Deficit)/gain for the year	(9,159)	715,737

18 **Housing corporation disclosure** (continued)

	Hostels	Accommodation	Total 2010
	£	£	£
Fixed assets – Land and buildings			
Cost			
Brought forward at 1 October 2009	2,100,000	-	2,100,000
Additions	-	-	-
Disposals	-	-	-
Carried forward at 30 September 2010	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 2010	1,065,611	-	1,065,611
At 30 September 2009	1,065,611	-	1,065,611

	Number of rooms 2010	2009
Accommodation in management		
Homeless hostel	57	57

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 2010 the total of these guarantees was £60 (2009: £90).

20 **Contingent liabilities**

In the event of the New Belvedere House/Old Rectory hostel 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.