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

Veterans Aid

Annual Report and Financial Statements

For the Year Ended

30 SEPTEMBER 2012

VETERANS AID

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

CONTENTS

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:

Finance and Legal

Legal Advisors	Maclay, Murray & Spens, Solicitors 1 London Wall London EC2Y 5AB
Auditors	Saffery Champness Chartered Accountants Lion House Red Lion Street London WC1R 4GB
Stockbrokers & Fund Managers	S & T Asset Management LLP 97 Church Lane, Marple, Stockport, Cheshire, SK6 7AR
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 25th 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 ON ACTIVITY
FOR THE YEAR ENDED 30 SEPTEMBER 2012

Our 80th Anniversary has come and gone and, as I mentioned in my report last year, it is sad to note that our services are still needed by so many Veterans. That said, our charity's national stature continues to grow and we are involved on a regular basis with cases countrywide.

Our aim has always been to prevent ex-servicemen and women, as much as we possibly can, from becoming homeless and ending up on the streets. This strategy has been highly successful and we have been working closely with our sister service charities to attain this.

Last year I commented on the number of non- traditional clients, mainly young men, who were failing to find secure and affordable homes; sadly this trend has continued. Luckily we now have a volunteer, in the person of Rick Brunwin, to act as Honorary Housing Advisor. He has been very busy developing new housing links dedicated to Veterans Aid and, thanks largely to his efforts, our 'move on' rate has improved significantly. Our grateful thanks go to him.

The work that this entails is immense and I can report that this is paying dividends for the individuals concerned, the service charity sector and indeed for the country at large. On the whole, when our Veterans leave us, neither the men nor the women are dependent on benefits or other hand-outs as they take control of their lives again.

This last year we have been incredibly lucky to have had the wonderful support of the Lady R Foundation. It has made the most enormous impact on the way we can carry out our business and we are very grateful indeed.

We have had significant success highlighting the problems encountered by Foreign and Commonwealth Veterans and have been able to raise awareness of these issues to the highest level. Resolution of the Balewai case effected changes that will benefit hundreds. Margaret Mervis has continued to work tirelessly on their behalf and we are all so grateful to her for the excellent results she has obtained.

As ever I would like to pay tribute to our wonderful staff, so ably led by Hugh Milroy, who have given so much and worked with such enormous dedication to make this year the success it has been.

Also I must thank our trustees and friends for continuing to give us the help, encouragement and support we need. Together with the Royal British Legion, the RAFBF, Combat Stress, SSAFA and SSAFA Central London we are still able to give our Veterans the assistance and indeed the support they deserve.

Finally I am delighted to tell you that Lady Rothermere has agreed to be our Patron. We are so pleased and truly honoured that she has decided to do this and it will be wonderful to have her now as part of our closely knit family.

....
Brigadier J F Rickett CBE
President and Chairman

CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

No home, no hope, no job, no future, totally alone, anxious, scared, worried about mental health or addiction problems, feeling stigmatised and utterly desperate... all words and phrases that describe the emotions of many of the Veterans who arrive at Veterans Aid's front door during the year. The feelings are not helped by elements of the media – and sometimes sections of the charitable sector – who exacerbate matters by portraying stereotypical images of homeless Veterans and exaggerate numbers for their own ends. Often it seems that reality is an inconvenient truth getting in the way of their ambition and fundraising. I mention this because the ripple effect of these exaggerations involves a great deal of nugatory effort as we try to counter such claims for the benefit of the charity and the Veteran community as a whole.

In such a context, breaking the cycle of hopelessness for the individual Veteran may seem like a dream, but the reality is that Veterans Aid is breaking the cycle of despair every day; it is the norm for us, not the exception! This is done by an astounding team of staff, volunteers and supporters whose tenacity and commitment to the individuals in our care leaves me in total admiration and grateful that they work for Veterans Aid. Their willingness to adopt bold new approaches to helping and the courage to divest themselves of relationships that do not help our Veterans is hugely beneficial for all concerned. Confirmation of our successful approach came from the other side of the Atlantic where we discovered that the Canadian Government was starting to run pilot projects for Veterans in crisis informed by the work of Veterans Aid.

Closer to home, the past year has been, by any measure, hugely challenging for us. We took nearly 3,000 calls for help and became deeply involved in a new area of work concerning Foreign & Commonwealth personnel and their families where we rapidly took a national lead and made a significant difference to their lives by challenging unfair bureaucracy at the highest levels. While this was headline stuff, I'm delighted to say that we didn't forget our roots.

The impact of our policy of swift intervention to prevent situations worsening has done much to ensure, with partner agencies such as the Soldier's Charity, SSAFA and SSAFA Central London, that we are frequently preventing Veterans getting to the streets. At the same time, the lack of recidivism among our graduates from New Belvedere House continues to astonish me.

This is testament to the unashamedly holistic approach taken by our highly trained and supportive staff who take time to completely understand the actual needs of the Veterans they care for. To an outsider, our approach often seems like tough love, but the success rate tells me that the approach really works despite the huge and almost insurmountable problems such as addictions that they are presented with on a daily basis. Our system is about truth, which builds trust and supportive connections, which in turn leads to success.

I often say that individual staff members may play a great game, but I am very clear that it is the passionate team that beats the odds. The 'powerhouse of expertise' approach enables New Belvedere to be a dynamic place of sustainable change, but that consistent approach starts at the Drop-in Centre in Victoria, London. I defy anyone to sit with our operations team and not be impressed by the relentless level of calls for help and their sheer professionalism as they respond to the often desperate appeals. Most calls come from Veterans, but increasingly we are responding to calls from serving personnel and their families.

Watching this activity at close range I can say with absolute confidence that the stereotypical rough-sleeping Veteran is thankfully, almost a thing of the past. Demand for our services is not slowing down, but the reasons we see people are far more complex and difficult to deal with – and there are rarely quick-fix answers.

CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

The Drop-in Centre remains the A&E of the Veterans' world in the UK, despite the many initiatives for ex-service personnel such as the Military Covenant and number of new Veteran charities springing up seemingly every day! The operations staff are continually amazed at how frequently Veterans Aid is used as a dumping ground for cases that no one else can handle. These come from a wide range of organisations that are supposed to be helping Veterans and range from charities that spend a great deal of time and money telling everyone what a good job they do looking after Veterans, to statutory agencies such as probation services, prisons and mental health units, who don't even attempt to fulfil their legal obligations to provide safe discharges.

Despite all of this, the motto of the operations team is "no first night out", something that we have been actioning for many years! Does our swift intervention work? As I write this a young man (who had served just a few months) called to say that he was sleeping rough as his parents, who were serving in the Army, could not take him on their next posting to Germany. Within an hour he was being taken to our hostel and will be safe tonight. He wasn't a traditional rough sleeper so, with any luck, his spell at New Belvedere House will give him back his future. Local authorities also let Veterans down, notwithstanding the Military Covenant. One such case was the outrageous treatment of a 64-year-old ex-army nurse with mental health difficulties who was told by her local authority to go and sleep on Clapham Common, so that their outreach team could find her and start looking after her as a rough-sleeper. We intervened and with the help of the operations team and our outstanding partner, Scottish Veterans Residences, she is now safe and well.

Looking forward, I am filled with hope about our future. Our Board is really enthusiastic and our reputation for national frontline delivery goes from strength-to-strength. We are building and planning our services on a strong view of what works and what doesn't work for our Veterans. That message is clearly attracting a huge and growing range of dedicated supporters such as Danny Buckley, who provides really practical support, to the Dowager Viscountess Rothermere who, much to my personal delight, has agreed to become our Patron. Thank you to each and every one of those supporters who believe in what we do. It is only because of their vital support that we can continue to transform the lives of those Veterans in crisis who need a hand-up, not a hand-out.

....
Wing Commander Dr Hugh Milroy OBE PhD
Chief Executive

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 2012. 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
The Charity's mission is 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 Charity continues to place great emphasis on preventative work.

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, 38 clients were placed in substance misuse programmes across the country, compared to 36 the previous year. 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 triple-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 216 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 not best suited for the Charity's longer term 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. The central Victoria location is considered important in the effectiveness of the charity's outreach operation and the location of suitable property is considered to be a critical success factor.

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 Board of Trustees 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 Board of Trustees.

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, ABF The Soldiers Charity, Seafarers UK, and the RAF Benevolent Fund.

There are 55 beds available in New Belvedere House, and, as can be seen from the occupancy rate, whenever a room becomes vacant, it is swiftly re-occupied.

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 a substantial element 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 an extension from LBTH to the end of our financial year.
- NBH – 99.25% room occupancy in the year, compared to 99.05% in the previous year.
- Evictions – there were 4 evictions in the year, compared to 7 in the previous year.
- Planned moves – there were 41 planned moves in the year, compared to 40 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 rents and housing benefits, grants, donations, events, Supporting People payments, 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. SP income has been assured for the financial year 2012/13; however in the longer term this income stream may reduce or cease.

Investments
Veterans Aid investments stand at £1.52m (2011 : £1.41m), with a further £64k (2011 : £28k) 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 15 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 £1,422k, 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 2012, with the charity developing its activities, expenditure grew more rapidly than income and it was necessary to draw some £22k 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 Board of Trustees, usually held in April and October of every year. Reports are made regularly to the Honorary Treasurer, who presents each report to the Board of Trustees, 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 2012 is £1,002,935. The Trustees estimate that 6 months' operating costs at the present level of operations are some £720,000. This sum has been retained in *General Funds* in line with policy. The remaining unrestricted reserves, amounting to some £282,935, 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 is underway and is now an ongoing project.

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 £5,038,055 of net assets (2011: £4,913,720), of which £2,053,376 (2011: £2,089,960) are tangible fixed assets. The charity has £738,383 (2011: £728,456) of cash balances available at one months notice or less, and a further £695,774 (2011: £686,906) available at three months notice. The majority of the cash balances are held in deposit accounts.

Funds
As detailed in notes 12 to 14 of the financial statements, the charity has reserves classified as follows:

- Permanent endowment (note 12)
  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 13)
  Restricted funds are as follows :

  a) Professional Support Co-ordinator – 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) NBH room sponsorship – grants to cover the costs of individual rooms at the charity's New Belvedere House hostel.

  e) Grants for individuals – grants provided, primarily from regimental benevolent funds and other service charities, to aid individual clients.

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

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

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

  i) Old Rectory Roof Fund – money provided to undertake essential repairs to the roof of the older part of the hostel complex

- Unrestricted Funds (note 14)
  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 2013.

Approved by the Trustees on 18 April 2013 and signed on their behalf by

....
P B G Cummings
Trustee

....
W H Milroy
CEO

18 April 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 17 to 35. 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 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
As explained more fully in the Trustees' Responsibilities Statement, 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 Report of the Trustees, the Chairman's Report on activity and the Chief Executive's 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 2012 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.

Saffery Champness

Cara Turtington ....

(Senior Statutory Auditor)

For and on behalf of
Saffery Champness

Chartered Accountants
Statutory Auditors

Lion House
Red Lion Street
London
WC1R 4GB

18 April 2013

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	Unrestricted funds £	Restricted funds £	Permanent Endowment £	Total 2012 £	Total 2011 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Donations & Legacies including Gift Aid		355,562	-	-	355,562	304,528
Grants (for core funding)		15,020	-	-	15,020	57,032
Activities for generating funds:						
Fundraising and sundry		57,495	-	-	57,495	122,980
Investment income		67,582	-	-	67,582	66,611
Incoming resources from charitable activities						
Grants (specifically related to services provision)		54,737	254,040	-	308,777	189,030
Supporting People Programme		156,583	-	-	156,583	163,940
Rent and housing benefit		401,985	-	-	401,985	371,272
Donations in kind	3	-	58,688	-	58,688	29,800
Realised gain on disposal of fixed assets		-	-	-	-	-
Total incoming resources		1,108,964	312,728	-	1,421,692	1,305,193
Outgoing resources						
Cost of generating funds						
Fundraising/event costs		60,089	-	-	60,089	69,007
Investment management fees		6,635	-	-	6,635	6,804
Cost of goods sold		2,762	-	-	2,762	4,366
Charitable activities:						
Hostel accommodation and support for homeless veterans		542,382	77,588	-	619,970	604,707
Rehabilitation and emergency care for homeless veterans		371,763	327,983	-	699,746	597,946
Development of National Centre for homeless veterans		-	-	-	-	5,282
Governance costs		54,132	-	-	54,132	54,558
Total resources expended	2	1,037,763	405,571	-	1,443,334	1,342,670
Net incoming resources		71,201	(92,843)	-	(21,642)	(37,477)
Transfers between funds	13	(72,468)	72,468	-	-	-
Realised gain/(loss) on disposal of investments		-	-	7,179	7,179	2,752
Net (outgoing)/incoming resources before revaluations carried forward		(1,267)	(20,375)	7,179	(14,463)	(34,725)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	Unrestricted funds £	Restricted funds £	Permanent Endowment £	Total 2012 £	Total 2011 £
Net (outgoing)/incoming resources before revaluations brought forward		(1,267)	(20,375)	7,179	(14,463)	(34,725)
Unrealised gains on revaluation of freehold premises		-	-	-	-	-
Write-back of accumulated depreciation on freehold premises		-	-	-	-	-
Unrealised gains/(losses) on revaluation of investments	8	-	-	138,798	138,798	(91,227)
Net incoming resources		(1,267)	(20,375)	145,977	124,335	(125,952)
Total funds brought forward		1,004,202	2,031,183	1,878,335	4,913,720	5,039,672
Total funds carried forward	15	1,002,935	2,010,808	2,024,312	5,038,055	4,913,720

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 35 form part of these financial statements.

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	2012 £	2011 £
Gross income	1,421,692	1,305,193
Realised gains/(losses) on disposal of fixed assets	-	-
Total income	1,421,692	1,305,193
Total expenditure	1,443,334	1,342,670
Net (expenditure)	(21,642)	(37,477)

Total income comprises £1,108,964 (2011: £1,154,195) for unrestricted funds and £312,728 (2011: £150,998) 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 £1,037,763 (2011: £1,052,402) for unrestricted funds and £405,571 (2011: £290,268) 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 35 provide full information on the movements during the year on all the funds of the charity.

BALANCE SHEET
AS AT 30 SEPTEMBER 2012

	Notes	2012		2011	
		£	£	£	£
Fixed assets					
Tangible fixed assets	7		2,053,376		2,089,960
Investments	8		1,582,684		1,443,917
			3,636,060		3,533,877
Current assets					
Stock	9	7,787		6,318	
Debtors	10	46,742		43,953	
Cash at bank and in hand		1,434,156		1,415,362	
		1,488,685		1,465,633	
Current liabilities					
Creditors: Amounts falling due in less than one year	11	86,690		85,790	
Net current assets			1,401,995		1,379,843
Total assets less current liabilities			5,038,055		4,913,720
Creditors: Amounts falling due in more than one year			-		-
Net assets			5,038,055		4,913,720
Funds					
Permanent Endowment	12		2,024,312		1,878,335
Restricted funds	13		2,010,808		2,031,183
Unrestricted funds:	14				
General funds		720,000		670,000	
Designated funds		282,935		334,202	
			1,002,935		1,004,202
	15		5,038,055		4,913,720

Approved by the Trustees on 18 April 2013 and signed on their behalf by

....
P B G Cummings
Trustee
Company Number 4544532

The notes on pages 21 to 35 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**
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.

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.

A professional valuation of the freehold land and buildings was undertaken at 30th September 2009 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 2012 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 2012**	**Total 2011**
	£	**£**	**£**	**£**	**£**	**£**	**£**
Fundraising costs	-	23,142	25,845	10,395	707	60,089	69,007
Investment management costs	-	6,635	-	-	-	6,635	6,804
Cost of goods sold	-	-	-	2,762	-	2,762	4,366
Hostel accommodation and support for homeless veterans	278,792	184,512	75,259	30,269	51,138	619,970	604,707
Rehabilitation and emergency care for homeless veterans	-	246,687	312,203	135,279	5,577	699,746	597,946
National Centre for Homeless Veterans development	-	-	-	-	-	-	5,282
Governance	-	15,940	26,900	10,819	473	54,132	54,558
	278,792	476,916	440,207	189,524	57,895	1,443,334	1,342,670

Total resources expended are stated after charging:

	2012	**2011**
	£	**£**
Depreciation (see note 1.8)	57,895	55,107
Auditors remuneration:		
For audit	14,400	13,757
For other services	-	-
Amounts payable under operating leases	42,399	40,125

3 Staff costs

	2012	**2011**
	£	**£**
Wages and salaries	622,536	550,786
Social security	67,489	56,386
Pension costs	9,886	8,880
	699,911	616,052
Other staff costs	19,089	11,851
	719,000	627,903

Two members of staff (2011: one) were provided on a full-time secondment. These donations in kind have been valued based on the costs of a staff member undertaking the same role. Salaries of £53,005 (2011: £27,055) and social security costs of £5,682 (2011: £2,745) for these secondees are included in the above figures.

Average number of staff:	**2012**	**2011**
The average number of staff on a full time equivalent basis working during the year was	**Number**	Number
Hostel and care workers	13	11
Administration	6	5

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands:		
£70,000 to £79,999	1	1

During the year the pension contributions on behalf of this member of staff amounted to £4,734 (2011: £7,746).

4 Pension plan

Veterans Aid participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan give the Trustees the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

4 **Pension plan** (continued)

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

Members paid contributions at the rate of between 5% and 10% of gross salary during the accounting period. Veterans Aid matched the members contributions.

As at the balance sheet date there were five (2011: 2) active members of the Plan employed by Veterans Aid. Veterans Aid continues to offer membership of the Plan to its employees. **Veterans Aid has closed the Plan to new entrants.**

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2008 were completed in 2009 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The Plan aims to eliminate this deficit over a ten year period from April 2013 by a combination of additional payments from employers and investment returns. Veterans Aid has been advised that it will be required to make an additional contribution of some £8,000 in the year commencing 1 April 2013.

5 **Trustees**

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

Expenses totalling £2,311 (2011: £1,198) were reimbursed to 3 (2011: 3) trustees in respect of travel and accommodation expenses and for attending fundraising events.

6 **Corporation tax**

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

7 Tangible fixed assets

	Freehold land and buildings £	Fittings and equipment £	Total £
Cost			
At 1 October 2011	2,107,272	227,577	2,334,849
Additions	-	21,312	21,312
Disposals	-	-	-
Revaluations	-	-	-
At 30 September 2012	2,107,272	248,889	2,356,161
Depreciation			
At 1 October 2011	61,459	183,430	244,889
Charge for the year	30,832	27,063	57,895
On disposals	-	-	-
Write-back on revaluation	-	-	-
At 30 September 2012	92,291	210,494	302,785
Net Book value			
At 30 September 2012	2,014,981	38,395	2,053,376
At 30 September 2011	2,045,813	44,147	2,089,960

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.

8 Investments

	2012 £	2011 £
Investments in subsidiary	2	2
Quoted securities – UK	1,142,277	1,034,922
Quoted securities – Overseas	376,383	380,411
Accrued investment income	2,182	2,757
Cash balances	61,840	25,825
	1,582,684	1,443,917

8 **Investments** (continued)

	Subsidiary undertakings £	Listed investments £	Total 2012 £	Total 2011 £
Securities				
Market value at 1 October 2011	2	1,415,333	1,415,335	1,473,983
Additions at cost	-	432,132	432,132	497,311
Disposals at market value brought forward	-	(467,603)	(467,603)	(464,732)
Unrealised gains/(losses)	-	138,798	138,798	(91,227)
Market value at 30 September 2012	2	1,518,660	1,518,662	1,415,335
Historic cost			1,424,956	1,422,827

Investments that are considered material in the context of the market value of the portfolio at 30 September 2012 are:

	%age of total	2012 £	%age of total	2011 £
UK Govt 1.875% I/L Stk 22/11/22	8.31%	131,577	8.83%	127,508
British American Tobacco 25p Ord	5.52%	87,436	5.20%	75,034

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 2012 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.

9 **Stock**

	2012 £	2011 £
Clothing stock	6,325	4,889
Christmas cards stock	1,462	1,429
	7,787	6,318

10 Debtors

	2012 £	2011 £
Prepayments	19,184	19,284
Other debtors	27,558	24,669
	46,742	43,953

11 Creditors falling due in less than one year

	2012 £	2011 £
Trade creditors	37,767	21,502
Other tax and social security	17,698	18,979
Accruals	12,000	12,406
Deferred income	12,523	1,585
Other creditors	6,702	31,318
	86,690	85,790

12 Permanent Endowment

	At 1 October 2011 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains/(losses) £	Transfers between funds £	At 30 September 2012 £
Hollenden House Endowment Reserve	1,878,335	-	-	145,977	-	2,024,312

Included within the endowment reserve are unrealised gain of £90,909 (2009: £34,697)

13 Restricted funds

	At 1 October 2011 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains £	Transfers between funds £	At 30 September 2012 £
Professional support co-ordinator	4,543	30,600	41,756	-	6,613	-
Outreach worker	-	124,032	133,847	-	9,815	-
Detox programme	-	4,200	60,240	-	56,040	-
NBH room sponsorship	-	5,000	5,000	-	-	-
Grants for individuals	-	133,896	133,896	-	-	-
GLC grant	155,865	-	-	-	-	155,865
Housing Association grant	400,000	-	-	-	-	400,000
New Belvedere House fund	1,485,775	-	30,832	-	-	1,454,943
Old Rectory roof fund	(15,000)	15,000	-	-	-	-
	2,031,183	312,728	405,571	-	72,468	2,010,808

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. NBH room sponsorship represents grants provided to cover costs of individual rooms at the charity's New Belvedere House hostel. Grants for individuals represents monies provided for assistance to individual clients.

The Old Rectory roof fund relates to emergency repairs carried out to the charity's freehold property, which were followed by an appeal to donors to assist with the costs. One donation of £15,000 was promised during 2011 but not received until 2012, so that the fund was overdrawn by that sum at the beginning of the financial year. Where the specific grants are insufficient to cover the full costs of that 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.

14 Unrestricted funds

	At 1 October 2011 £	Incoming resources £	Outgoing resources £	Realised and unrealised gains £	Transfers between funds £	At 30 September 2012 £
General Fund	670,000	1,108,964	1,037,763	-	(21,201)	720,000
Designated funds:						
Development Fund	334,202	-	-	-	(51,267)	282,935
	1,004,202	1,108,964	1,037,763	-	(72,468)	1,002,935

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.

15 Analysis of net assets between funds

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Hollenden House Endowment reserve	-	1,582,684	441,628	2,024,312
Professional support co-ordinator	-	-	-	-
Outreach worker	-	-	-	-
Detox programme	-	-	-	-
NBH room sponsorship	-	-	-	-
Grants for individuals	-	-	-	-
GLC grant	155,865	-	-	155,865
Housing Association grant	400,000	-	-	400,000
New Belvedere House fund	1,454,943	-	-	1,454,943
Old Rectory roof fund	-	-	-	-
Development fund	-	-	282,935	282,935
General funds	42,568	-	677,432	720,000
	2,053,376	1,582,684	1,401,995	5,038,055

16 Revaluation reserves

Included within the funds explained in notes 12 to 14 are revaluation reserves with the following values:

	Permanent Endowment fund £	Restricted funds £	Unrestricted funds £	2012 Total £	2011 Total £
Quoted securities	93,704	-	-	93,704	(7,494)
Freehold land and buildings	-	1,027,793	-	1,027,793	1,041,432
	93,704	1,027,793	-	1,121,497	1,033,938

17 Commitment under operating leases

The premises at 40 Buckingham Palace Road are leased at a cost of £8,809.50 plus irrecoverable VAT per quarter; the lease ends on 28 February 2015, giving a total commitment at the year-end, including VAT, of £102,691 (2011: £16,690).

Photocopiers are leased from Ricoh Capital Ltd at a cost of £291.42 plus irrecoverable VAT per quarter; the lease ends on 24 November 2014, giving a total commitment at the year-end, including VAT, of £3,031 (2011: £4,430).

18 Related party transactions

There were no related part transactions in either 2011 or 2012

19 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.

The Trustees have considered the need to review the presentation of the accounts in light of the 2010 RSL SORP. They believe the cost of carrying out the restatement outweighs any benefit to the users of these accounts and therefore no adjustments have been made to the disclosures below which continue to apply the previous version of the RSL SORP.

19 **Housing corporation disclosure** (continued)

Balance sheet	**2012** **£**	**2011** **£**
Fixed assets		
Housing land and buildings	2,107,272	2,107,272
Less: Grants	1,034,389	1,034,389
	1,072,883	1,072,883
Other fixed assets	38,395	44,146
	1,111,278	1,117,029
Investments	1,582,684	1,443,917
	2,693,962	2,560,946
Current assets		
Stock	7,787	6,318
Debtors	46,742	43,953
Cash	1,434,156	1,415,362
Current liabilities	(86,690)	(85,790)
Net current assets	1,401,995	1,379,843
Total funds	4,095,957	3,940,789

	2012 **£**	**2011** **£**
Turnover		
Rents	43,521	29,521
Grants relating to housing	-	-
Housing benefit/supporting people	515,047	505,692
Property revenue sub-total	558,568	535,213
Donations and grants for other charitable purposes	777,322	702,458
Turnover	1,335,890	1,237,671
Other income		
Interest, dividends etc.	85,803	67,522
(Loss)/profit on sale of investments	7,179	2,752
	1,428,872	1,307,945
Operating costs		
Direct costs	607,622	592,291
Operating costs	804,881	719,608
	1,412,503	1,311,899
Operating surplus/(deficit)	16,369	(3,954)

19 **Housing corporation disclosure** (continued)

	Total 2012 £	Total 2011 £
Fixed assets – Land and buildings		
Cost		
Brought forward at 1 October 2011	2,107,272	2,100,000
Additions	-	7,272
Carried forward at 30 September 2012	2,107,272	2,107,272
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 2012	1,072,883	1,072,883
At 30 September 2011	1,072,883	1,065,611

	Number of rooms 2012	2011
Accommodation in management		
Homeless hostel	55	55

20 **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 2012 the total of these guarantees was £70 (2011: £60).

21 **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.